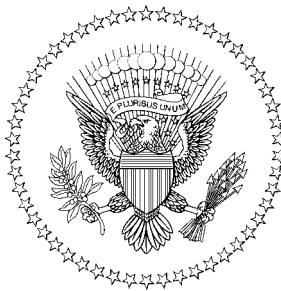


107th Congress, 1st SessionH.Doc. 107-2

Economic Report of the President



Transmitted to the Congress
January 2001

together with
THE ANNUAL REPORT
of the
COUNCIL OF ECONOMIC ADVISERS

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Abstract I am pleased to report that the American economy today is strong. We are enjoying the longest economic expansion ever recorded, with more than 22 million new jobs since 1993, the lowest unemployment rate in 30 years, the lowest female unemployment rate in 40 years, the lowest Hispanic and African-American unemployment rates ever recorded, and the highest home ownership rate on record. This economic expansion has been not only unusually long, but also broad and deep. For the first time in decades, wages are rising at all income levels. We have the lowest child poverty in 20 years and the lowest poverty rate for single mothers ever recorded. Since 1993 the median family income has gone up more than \$6,000, and for African-American families it has risen even more. The number of families who own stock has grown by 40 percent. Our current economic strength is the result not of chance, but of a choice the American people made 8 years ago. At that time, 10 million of our fellow citizens were out of work. Interest rates were high. The Federal budget deficit was \$290 billion and rising. And the Federal debt had quadrupled in the previous 12 years, imposing a crushing burden on our economy and on our children.		
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**ECONOMIC REPORT
OF THE PRESIDENT**

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

I am pleased to report that the American economy today is strong. We are enjoying the longest economic expansion ever recorded, with more than 22 million new jobs since 1993, the lowest unemployment rate in 30 years, the lowest female unemployment rate in 40 years, the lowest Hispanic and African-American unemployment rates ever recorded, and the highest home ownership rate on record.

This economic expansion has been not only unusually long, but also broad and deep. For the first time in decades, wages are rising at all income levels. We have the lowest child poverty in 20 years and the lowest poverty rate for single mothers ever recorded. Since 1993 the median family income has gone up more than \$6,000, and for African-American families it has risen even more. The number of families who own stock has grown by 40 percent.

Our current economic strength is the result not of chance, but of a choice the American people made 8 years ago. At that time, 10 million of our fellow citizens were out of work. Interest rates were high. The Federal budget deficit was \$290 billion and rising. And the Federal debt had quadrupled in the previous 12 years, imposing a crushing burden on our economy and on our children.

The American people chose to change direction, and empowered by that choice, Vice President Gore and I put in place a new economic strategy: fiscal discipline, greater investment in our people, and expanded trade. The result of that three-part strategy has been 8 years of prosperity and progress. Continuing with this proven strategy is the best way to keep that prosperity and progress going.

The Administration's Economic Agenda

Our strategy has been based, first and foremost, on a commitment to fiscal discipline. By first cutting and then eliminating the deficit, we have helped to create a virtuous cycle of lower interest rates, greater investment, more jobs, higher productivity, and higher wages. In the process we have gone from the largest deficits in history to the largest surpluses in history. We have extended the life of the Medicare trust fund to 2025—when I was elected President, it was scheduled to go bankrupt in 1999. And we have paid off \$362.5 billion in debt.

Second, our strategy has focused on investing more in education, health care, and science and technology, to strengthen our people's capacity to make the most of the new opportunities of the 21st century. We have doubled funding for Head Start, provided after-school opportunities and mentoring to more than a million young people, and begun putting 100,000 new, well-trained teachers in the early grades to lower class size. These investments, combined with an insistence on high standards for all students and accountability for results, have helped improve student achievement nationwide: reading, math, and SAT scores are all up. And with the largest expansion of college aid since the G.I. Bill, more students than ever are going on to college.

We have also invested in our people through targeted tax relief, to help Americans meet the challenges of work and child rearing. Last year alone, our HOPE Scholarship and Lifetime Learning tax credits helped 10 million families pay for college. Our expansion of the Earned Income Tax Credit will help 15 million families work their way toward the middle class. And 25 million families will get a \$500 child tax credit. The typical American family today is paying a lower share of its income in Federal income taxes than at any time during the past 35 years.

Since 1993 we have increased funding for long-term research and development—investments that lead to more economic growth, more high-wage jobs, more cures for diseases, and a cleaner environment. Funding for the National Institutes of Health, for instance, has nearly doubled over the past 7 years.

Meanwhile we have continued to make important investments in our Nation's communities. Our Empowerment Zone tax credits are bringing new business and new jobs to our hardest pressed communities, from the inner cities to Appalachia to the Mississippi Delta to Native American communities. With the help of 100,000 more community police officers funded for our streets, and commonsense measures such as the Brady law and the assault weapons ban that keep guns out of the wrong hands, crime has fallen to a 26-year low. Under the State Children's Health Insurance Program, 2 million previously uninsured children now have health coverage.

Third, our economic strategy has focused on opening markets around the world. Today, with more than 300 new trade agreements in place, including the North American Free Trade Agreement and the Uruguay Round agreements, American workers and firms are competing in more markets than ever before, and our economy is stronger for it.

Continuing Our Economic Strategy

Last year we took important new actions to secure our economic future, guided by the same three-part strategy. We normalized trade with China, a move that will open China's markets to American products from wheat to cars to consulting services. It will also ensure that American companies will be better able to sell goods in China without having to move factories or investments there. Congress also passed, and I signed, a 2001 budget that maintains our commitment to fiscal discipline. Under this new budget we will continue to pay down the debt. If we stay on this path, we can make America debt-free by 2012 for the first time since Andrew Jackson was President in 1835, thereby keeping interest rates low and prosperity going strong.

The 2001 budget also continues our strategy of investing in our people. It includes the largest-ever increase in funding for the National Science Foundation and major increases in funding for education. A new, \$1.2 billion investment will help thousands of school districts make emergency repairs and renovations to our children's classrooms. We have increased by 25 percent the funding dedicated to our goal of hiring 100,000 new, highly qualified teachers, to reduce class size. We have nearly doubled funding for after-school programs to help more than 1.3 million students, while increasing support for teacher training and for turning around failing schools. And to open the doors of college even wider, we have increased the maximum Pell grant to an all-time high of \$3,750—up nearly \$1,500 since 1993.

The new budget also includes our historic New Markets and Renewal Communities Initiative, the most significant effort ever to help hard-pressed communities lift themselves up through entrepreneurship and access to new capital. With our New Markets tax credit, 40 Empowerment Zones, and 40 renewal communities, this initiative will spur billions in private investment in communities that have not yet shared in our great economic revival.

This is a unique moment in U.S. history, a time of unrivaled prosperity and progress, with few internal crises or external threats. We have the responsibility to use our good fortune wisely. If we maintain our current economic strategy, we can sustain our prosperity, expand the circle of opportunity, meet the long-term challenges of this new century, and provide our children the chance to live their dreams.



THE WHITE HOUSE
JANUARY 2001

**THE ANNUAL REPORT
OF THE
COUNCIL OF ECONOMIC ADVISERS**

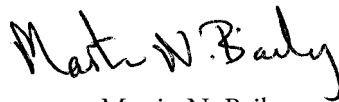
LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 29, 2000.

MR. PRESIDENT:

The Council of Economic Advisers herewith submits its 2001 Annual Report in accordance with the provisions of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,

A handwritten signature in black ink, reading "Martin N. Baily". The script is fluid and cursive.

Martin N. Baily,
Chairman

A handwritten signature in black ink, reading "Robert Z. Lawrence". The signature is written in a cursive style with a long, sweeping underline.

Robert Z. Lawrence,
Member

A handwritten signature in black ink, reading "Kathryn L. Shaw". The signature is written in a cursive style.

Kathryn L. Shaw,
Member

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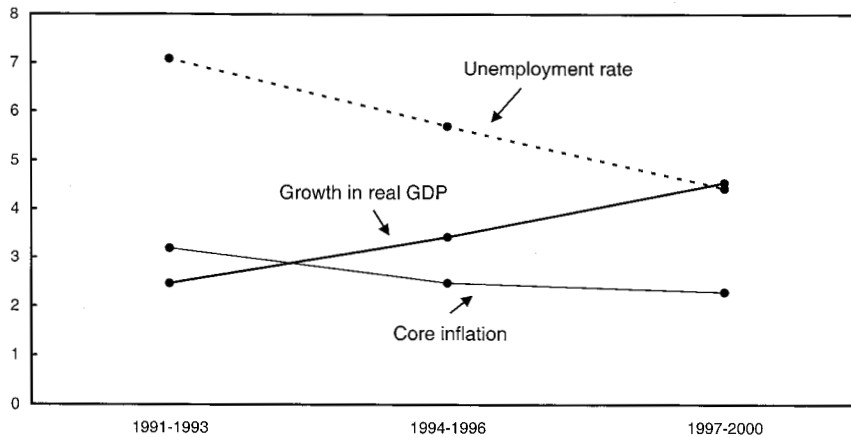
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The Making of the New Economy

GDP Growth, the Unemployment Rate, and Core Inflation, 1991-2000
Percent



Note: Real GDP growth (chained 1996 dollars) and inflation (measured by the CPI-U-RS) are average annual rates from the end of the preceding year through the end of the period. Unemployment rates are monthly averages. Data for 2000 are through the third quarter for real GDP and through November for unemployment and inflation.

Sources: Department of Commerce (Bureau of Economic Analysis) and Department of Labor (Bureau of Labor Statistics).

An extraordinary expansion: rising growth, a falling unemployment rate, and falling core inflation.

Over the last 8 years the American economy has transformed itself so radically that many believe we have witnessed the creation of a New Economy. This *Report* presents evidence of fundamental and unanticipated changes in economic trends that justify this claim. In the 1990s, after two decades of disappointing performance, the economy enjoyed one of its most prosperous periods ever. Strong and rising growth in real gross domestic product (GDP), declining and then very low unemployment, and a low, stable core inflation rate characterize the long expansion. Even though growth moderated in the second half of 2000, the achievements of the past 8 years remain impressive.

From the first quarter of 1993 through the third quarter of 2000, real GDP grew at an average annual rate of 4.0 percent—46 percent faster than the average from 1973 to 1993. This exceptional growth reflects both strong job creation and increased productivity growth. Americans are working in record numbers: the number of payroll jobs has increased by more than 22 million since January 1993, and in 2000 the share of the population employed reached its highest level on record. Also in 2000 the unemployment

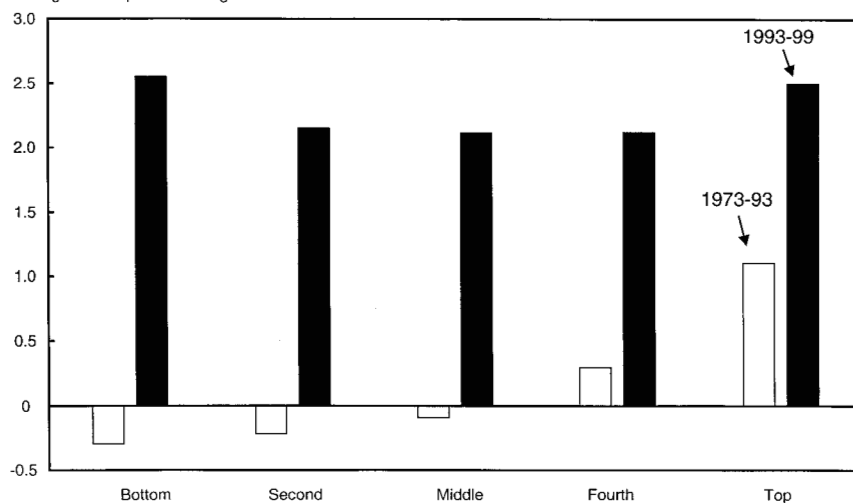
rate dipped to 3.9 percent, the lowest level in a generation. Unemployment rates for African Americans and Hispanic Americans were the lowest since separate statistics for these groups were first collected in the early 1970s.

Americans are not only working more; they are also working smarter. The economy has rapidly become more productive. Since the beginning of 1993, output per hour in the nonfarm business sector has grown at an average rate of 2.3 percent per year, compared with an average of 1.4 percent per year for the previous 20 years. Even more remarkably, since the fourth quarter of 1995 productivity growth has averaged 3 percent per year. This acceleration in productivity has produced higher incomes and greater wealth. From 1993 to 1999, the real income of the median household grew more than in any period of similar length in the last 30 years. Meanwhile the value of corporate stocks has nearly trebled, even after taking into account the downward adjustment in stock prices during 2000.

These income gains have also been widely shared: even incomes at the bottom of the distribution have risen rapidly (Chart 1-1). Disadvantaged groups have seen their situation improve markedly. The overall poverty rate declined to 11.8 percent in 1999 (the most recent year for which data are available), its lowest level since 1979 and 3.3 percentage points below the rate in 1993. The poverty rate for African Americans was 23.6 percent in 1999—still too high, but far below the 1993 level of 33.1 percent. The poverty rates for Hispanic Americans and elderly Americans have also fallen sharply.

Growth in household income since 1993 has been both stronger and more equally distributed than it was over the previous 20 years.

Chart 1-1 Growth in Real Household Income by Quintile, 1973-93 and 1993-99
Average annual percent change



Source: Department of Commerce (Bureau of the Census).

This chapter describes the remarkable achievements of the 1990s and the factors that gave rise to the New Economy. The chapter identifies the sources of the economy's faster growth and estimates the contribution of each. The focus is on information technology and the factors that reinforce its impact: organizational change and sound economic policy. Updated, sector-specific data on productivity gains indicate that those sectors that have invested the most in information technology—wholesale trade and finance, among others—experienced some of the greatest productivity gains during the 1990s. The chapter then highlights the importance of innovation in business practices in firms throughout the economy. It goes on to discuss the importance of sound fiscal policy, competition-enhancing trade and technology policy, and effective social policy—all working together to further the progress of the New Economy—and the gains that have already been made. The chapter concludes by looking ahead to the challenges we will face in the coming years to sustain the virtuous cycle of growth and innovation—and to share fully in its rewards.

The Economy from 1973 to 1993

The remarkable economic trends of the 1990s took many by surprise. They represent a distinct change from the 1970s and 1980s, decades in which the economy was plagued by persistent inflation, periodically high unemployment, slow growth in productivity, rising inequality, and large Federal budget deficits. Stagflation was an unwelcome phenomenon of the 1970s, as two major oil shocks were followed by simultaneous inflation and recession. The massive and costly recession of the early 1980s and the collapse of oil prices in 1986 broke the back of the very high inflation rates that had emerged in the late 1970s. But as unemployment fell below 6 percent in the late 1980s, core inflation started to climb again. Between 1973 and 1993, GDP growth received a boost from the large numbers of women and baby-boomers entering the work force. But at the same time, persistently slow productivity growth (averaging less than half of what it had been during the preceding 25 years) kept GDP growth in check.

These trends affected the incidence of poverty. In the 1960s and early 1970s, poverty had been declining as economic progress gradually raised the incomes of those at the bottom. The nationwide poverty rate, which had stood at 22.2 percent in 1960, fell to 11.1 percent in 1973. But the combination of slow productivity growth and a relatively slack labor market likely played a role in ending this improvement, dragging down household incomes, especially for the poorest. The poverty rate continued to fluctuate, falling during expansions in the business cycle and rising during contractions.

However, throughout the 1980s it never fell lower than 12.8 percent, far above the low of the early 1970s. And by 1993 poverty had risen to 15.1 percent, almost matching the 1983 level of 15.2 percent, its worst since the 1960s.

Federal budget deficits had become commonplace in the 1970s, but they increased rapidly in the 1980s in the presence of a fiscal policy based on overly optimistic budget forecasts. Efforts to restore fiscal discipline in 1990 failed because of a weakening economy, and deficits grew worse rather than better, reaching almost \$300 billion in fiscal 1992. By the end of fiscal 1981, publicly held Federal debt had fallen to 25.8 percent of GDP. By the end of fiscal 1993 it had almost doubled, to 49.5 percent.

Given these problems, few believed in 1993 that the U.S. economy could achieve and sustain low unemployment rates, moderate inflation, or robust productivity growth, let alone all three. The Federal Government seemed incapable of balancing its budget, and there was little to suggest that U.S. incomes could grow more rapidly than those in other major industrial countries. Yet in the years that followed, all of these seemingly improbable events occurred—and at the same time.

What Makes the Economy New?

The U.S. economy today displays several exceptional features. The first is its strong rate of productivity growth. Since 1995 the trend rate of productivity growth has been more than double that of the 1973–95 period. A second is its unusually low levels of both inflation and unemployment. In the past, low levels of unemployment have usually meant sharply rising inflation. Yet despite an unemployment rate that has been close to (and at times below) 4 percent for 2 years, core inflation has remained in the 2 to 3 percent range. A third is the disappearance of Federal budget deficits. Federal fiscal policy often becomes more expansionary as a period of economic growth is sustained, yet in the past 8 years the structural budget balance has moved steadily from a massive deficit to a large surplus. A fourth is the strength of the U.S. economy's performance relative to other industrial economies. As a world technological leader, the United States might have been expected to grow more slowly than countries that can benefit from imitating the leader's technological advances. Yet over the second half of the 1990s, the United States continued to enjoy both the highest income per capita and the fastest income growth of the major industrial nations. These developments reveal profound changes in economic trends that justify the term "New Economy."

Three interrelated factors lie behind these extraordinary economic gains: technological innovation, organizational changes in businesses, and public

policy. Information technology has long been important to the economy. But in the early 1990s a number of simultaneous advances in information technology—computer hardware, software, and telecommunications—allowed these new technologies to be combined in ways that sharply increased their economic potential.

In part to realize this potential, entrepreneurs instituted widespread changes in business organizations, reconfiguring their existing businesses and starting new ones. These changes included new production methods and human resource management practices, new types of relationships with suppliers and customers, new business strategies (with some firms expanding the scope of their enterprises through mergers and acquisitions, and others streamlining them to best utilize core competencies), and new forms of finance and compensation.

Public policy was the third driving force. This Administration embraced policies and strategies based on fiscal discipline, investing in people and technologies, opening new markets at home and abroad, and developing an institutional framework that supported continued global integration. Together these created an environment in which the new technologies and organizational changes could flourish.

The interactions among these three factors have created a virtuous cycle in which developments in one area reinforce and stimulate developments in another. The result is an economic system in which the whole is greater than the sum of its parts. New technologies have created opportunities for organizational innovations, and these innovations in turn have engendered demand for these technologies and others still newer. The increased growth prompted by the new technologies helped the Federal Government restrain its spending growth and boosted its revenue; the resulting smaller budget deficits (and later surpluses) have helped keep interest rates down, encouraging further investment in new technologies. Economic policies directed toward promoting competition have prodded firms to adopt the new technologies, spurring other firms to innovate or be left behind. Policies aimed at opening foreign markets have increased earnings in the U.S. technology sector, leading to yet more innovation, including innovation in information technologies, which have lowered barriers to trade and investment still further. These market-opening policies have also allowed U.S. producers to become more productive, by expanding the variety of key inputs available to them.

This Report defines the New Economy by the extraordinary gains in performance—including rapid productivity growth, rising incomes, low unemployment, and moderate inflation—that have resulted from this combination of mutually reinforcing advances in technologies, business practices, and economic policies.

Sustaining the Virtuous Cycle

Americans can be gratified by the achievements of the last 8 years, but we must not become complacent. The economy has been performing well for so long now that there is a danger of taking growth for granted. There are good reasons to believe that the long-term trend rate of productivity growth has increased relative to the post-1973 trend, and many new technologies do not yet appear to have exhausted their potential for further improvements. On the other hand, more moderate economic growth is projected for 2001 and beyond. Hence the economic forecast described in Chapter 2 is optimistic, but also cautious about the future.

In addition, it would be a grave error to assume that the economy has been so transformed that the basic rules of economics no longer apply. The potential for faster growth exists, but demand cannot run ahead of supply without the danger of rising inflation. The economy also remains susceptible to cyclical fluctuations. Indeed, the rewards of the New Economy are associated with increased risk, since the economy depends more heavily than before on financial markets, which remain volatile.

Abandoning the public policies that have helped transform the economy would also be a mistake. The current prosperity certainly reflects, above all, the efforts of the private sector, but it would be wrong—and dangerous—to ignore the contribution of policy. In particular, it would be risky to put aside the policies that have helped us move from huge budget deficits to large surpluses and have laid the groundwork for the capital formation that has been so important in stimulating growth. It would be just as dangerous to undermine the policies that have supported the investments in people and technologies that are the keys to advancing productivity. It would be folly to abandon the efforts to increase competition in markets at home and abroad, because it is this competition that helped create a domestic business environment in which entrepreneurs can flourish and a global economy from which all Americans can benefit. Finally, the government should continue its efforts to ensure that prosperity is more widely shared, because this is something the private sector will not automatically accomplish on its own.

A strong economy, even the extraordinary economy of the last 8 years, cannot solve all America's problems or guarantee that every American will be better off. Important steps have been taken to spread the benefits of economic growth to disadvantaged regions and families. But much remains to be done. The resources are available to tackle the problems of insufficient access to health insurance, of aging educational facilities, and of a Social Security system that lacks adequate long-term reserves, to name a few. The challenge is how best to use these resources to improve the well-being of all Americans.

Information Technology and the New Economy

Spending on information technology has clearly played a leading role in the recent acceleration of economic growth. Although this sector remains a fairly small part of the economy—its share of GDP was an estimated 8.3 percent in 2000—it accounted for almost one-third of all output growth between 1995 and 1999 (Chart 1-2). Even more remarkable, in 1999 business spending on information technology equipment and software was responsible for more than 11 percentage points of the 14 percent real growth in total equipment and software spending by business. The information technology sector is also one that has seen a surge in innovation. To be sure, the computer, the cell phone, optical fibers, lasers, and the Internet had all been invented before the mid-1990s. But over the course of that decade, a series of innovations in computer hardware and software and in telecommunications took place that has allowed for new and complementary interactions among these technologies on an unprecedented scale—a dramatic example of which is the emergence and increasing commercial use of the World Wide Web.

There is a broad consensus that information technology has been important in the recent surge in economic performance. But the role of developments beyond this sector remains more controversial. One view of the recent economic transformation identifies the New Economy narrowly with the production and use of information technology. Some proponents of

Roughly 30 percent of the growth in gross domestic income since 1995 has come from the information technology sector.

Chart 1-2 Growth in Gross Domestic Income Due to the Information Technology Sector
Percent of total growth



Note: The information technology sector encompasses computer and communications hardware manufacturing, software development, and computer and communications services. Data for 1998 and 1999 are estimates.
Source: Department of Commerce (*Digital Economy 2000*).

this view argue that performance in the rest of the economy has simply followed previous trends, or that the recent strong economic growth has boosted it only temporarily.

Although the innovation and diffusion of information technology have clearly been important, the broader definition of the New Economy adopted in this *Report* more accurately conveys the pervasiveness of the recent economic changes. A growing body of evidence now shows that the widespread application of information technologies has stimulated remarkable improvements in production processes and other business practices outside the information technology sector. But innovations in information technology and its use have not been the only source of such change. Indeed, there has been a surge in innovation in other technologies as well. Together with supportive public policies, these changes have fundamentally transformed the economy. An examination of recent productivity growth supports this view.

The New Trend in Productivity Growth

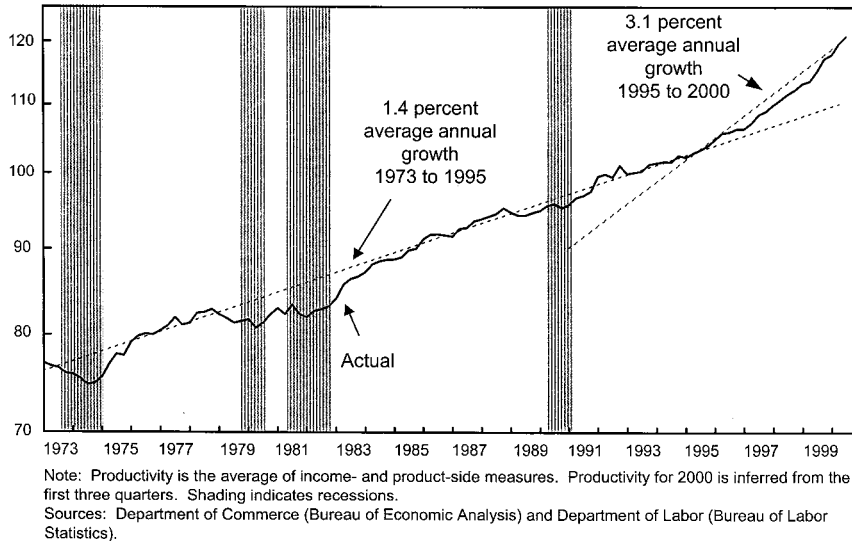
Productivity is now growing considerably faster than it did over the 20 years after 1973 (Chart 1-3). What can be said about the sources of this acceleration? Two simple analyses help to answer this question. The first estimates the contributions to growth in aggregate private nonfarm business productivity from each of the different sources of that growth, such as increases in the amount of capital per worker. The second uses data on output and employment by industry to pinpoint the areas of economic activity where the acceleration has taken place.

Sources of Growth: Capital, Labor Quality, and Total Factor Productivity

A standard model of economic growth allows us to estimate how various sources have contributed to the recent acceleration of productivity. Table 1-1 shows that productivity, measured as output per hour in the private nonfarm business sector, accelerated in the late 1990s. Its growth rate rose from an annual average of 1.4 percent before 1995 to an annual average of 3.0 percent from 1995 through 2000. The total acceleration from the first period to the second is thus slightly more than 1.6 percentage points. (The results reported in Chart 1-3 and Table 1-1 are based on real output increases that are averages of growth in production and growth in income, each of which is a valid measure of private nonfarm output. The chart and the table differ slightly in that the latter covers the *private* nonfarm sector and therefore excludes government enterprises.) The first question to ask about this

The rate of productivity growth increased after 1995.

Chart 1-3 Output per Hour in the Nonfarm Business Sector
Index, 1992 = 100



total acceleration is how much, if any, of it is the result of business cycle effects and how much is structural.

Productivity Growth and the Business Cycle

Productivity growth varies over the course of the business cycle, typically speeding up in the early stages of booms and slowing or even turning negative in slumps. But changes in productivity also have an underlying structural, or trend, component. There is no foolproof way to tease apart these cyclical and structural components in the productivity changes one actually observes. The increase in productivity growth after 1995, however, is noteworthy in that it occurred at a time when the economy already was enjoying a high rate of resource utilization. Sharp increases in productivity have usually occurred in economies recovering from recession (Chart 1-3). By contrast, since 1995 the U.S. economy has followed a steeper productivity trend, which started well after the 1990–91 recession was over.

Statistical estimates suggest that almost none of the acceleration in productivity after 1995 has been cyclical. An econometric model in which hours worked adjust gradually to changes in output indicates that, by 1995, strong demand had already pushed actual productivity about 2 percentage points above where it would have been otherwise. From 1995 through 2000, the cyclical component of productivity edged up only slightly relative to its trend, so that actual productivity grew only slightly faster (by 0.04 percentage point) than structural productivity (Table 1-1). As of the third quarter of

TABLE 1-1.—*Accounting for the Productivity Acceleration in the 1990s*
[Private nonfarm business sector; average annual rates]

Item	1973 to 1995	1995 to 2000	Change (percentage points)
Labor productivity growth rate (percent)	1.39	3.01	1.63
<i>Percentage point contributions:</i>			
Less: Business cycle effect .....	.00	.04	.04
Equals: Structural labor productivity	1.39	2.97	1.58
Less: Capital services .....	.70	1.09	.38
Information capital services .....	.41	1.03	.62
Other capital services .....	.30	.06	-.23
Labor quality .....	.27	.27	.00
Equals: Structural TFP .....	.40	1.59	1.19
Less: Computer sector TFP .....	.18	.36	.18
Equals: TFP excluding computer sector TFP .....	.22	1.22	1.00

Note.—Labor productivity is the average of income- and product-side measures of output per hour worked. Total factor productivity (TFP) is labor productivity less the contributions of capital services per hour (capital deepening) and labor quality.

Productivity for 2000 is inferred from the first three quarters.

Detail may not add to totals because of rounding.

Sources: Department of Commerce (Bureau of Economic Analysis) for output and computer prices; Department of Labor (Bureau of Labor Statistics) for hours and for capital services and labor quality through 1998; and Council of Economic Advisers for the business cycle effect and for capital services and labor quality for 1999 and 2000.

2000, the cyclical component of productivity was still above trend, suggesting that actual productivity growth is likely to fall below trend growth over the next year or so, as GDP growth moderates. But the estimates indicate that there has been a structural acceleration in productivity since 1995 of slightly less than 1.6 percentage points.

Even though economists differ as to the correct way to adjust for responses to the business cycle, the finding that a structural acceleration has taken place is robust. For instance, even if the cyclical adjustment used here proved to be in error, and in fact productivity growth after 1995 received a boost of as much as 0.5 percentage point a year from shifts due to the business cycle, one would still conclude that a structural acceleration of productivity of greater than 1 percentage point has taken place.

The fact of a shift in the trend of structural productivity growth does not tell us how permanent that shift will turn out to be. All one can say is that the post-1995 acceleration does not appear to be associated with the normal business cycle variation of productivity. Whether the structural trend that emerged in 1995–2000 will continue for many more years, or whether structural productivity growth will moderate sooner, remains uncertain. We could be observing not a long-term shift to a faster productivity growth rate but simply a shift to a higher level of productivity, with faster growth for a while followed by a return to the pre-1995 trend. Or we may be witnessing

the opportunity for faster trend growth over a longer time span. Chapter 2 revisits this issue in the discussion of the forecast.

Contributors to the Structural Productivity Acceleration

In general, a structural acceleration in productivity can come from an increase in any of the following four sources of growth or their combination:

- growth in the amount of capital per worker-hour throughout the economy (capital deepening)
- improvements in the measurable skills of the work force, or labor quality
- total factor productivity (TFP) growth in computer-producing industries, and
- TFP growth in other industries.

TFP growth is the increase in aggregate output over and above that due to increases in the quantities of capital or labor inputs. For example, TFP growth may result when a firm redesigns its production line in a way that increases output while keeping the same number of machines, materials, and workers as before.

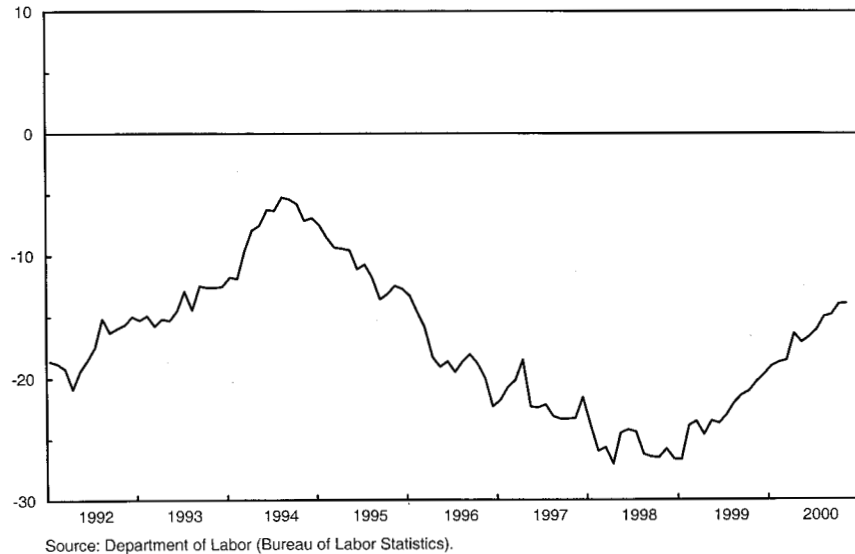
Capital investment has been extremely strong during the current expansion. Particularly after 1995, investment in computers and software responded markedly to robust economic growth, low real interest rates, a strong stock market, and rapidly falling computer prices. As Table 1-1 shows, investment in information technologies added slightly more than 0.6 percentage point to the increase in structural productivity growth after 1995. Because the rate of investment in capital goods other than computer hardware and software slowed during that period, the contribution of overall capital deepening to increased productivity growth was only about 0.4 percentage point, or roughly 24 percent of the post-1995 acceleration of structural productivity.

The Bureau of Labor Statistics measures labor quality in terms of the education, gender, and experience of the work force. Using statistical methods, the Bureau determines differences in earnings paid to workers with different characteristics and infers that these relative wage differences reflect relative productivity differences. Measured in this way, labor quality has risen as the education and skills of the work force have increased. Because that increase occurred at about the same rate before and after 1995, however, the contribution of labor quality to the recent acceleration in productivity has been negligible.

The rate of growth in TFP in computer-producing industries has been rising. Computer prices have been falling as technological improvements are adopted and made available commercially. The decline in prices was particularly marked from 1997 to 1999 (Chart 1-4). Calculations based on

Declines in computer prices were especially rapid between 1997 and 1999.

Chart 1-4 Producer Price Index for Electronic Computers
12-month percent change



these price changes indicate that computer manufacturing accounts for about 0.2 percentage point, or about 11 percent, of the acceleration in structural productivity.

The final contribution comes from accelerating TFP in the economy outside the computer-producing industries. The contribution of this “non-computer sector TFP” category is calculated as a residual; it captures the extent to which technological change and other business and workplace improvements outside the computer sector have boosted productivity growth since 1995. This factor accounts for about 1.0 percentage point of the acceleration in productivity, or about 63 percent of the total. (The percentages do not sum to 100 because of rounding.) This implies that improvements in the ways capital and labor are used throughout the economy are central to the recent acceleration in productivity. Some of these gains have likely resulted as firms learn to apply innovative information technology to their particular business and production methods.

Productivity Increases by Sector and Industry

The figures reported above indicate that both the more widespread use of information technology and improvements in business practices have boosted productivity growth. Data on productivity growth by industry provide a further means of exploring this idea. If the story is correct, these

data should show, for example, an acceleration in productivity in wholesale and retail trade as a result of improvements in distribution and supply chain management. Improvements would also be expected in financial and business services, both of which are heavy users of information technology.

Table 1-2 shows growth in value added per full-time equivalent employee by industry in 1989–95 and 1995–99. With some important qualifications, the evidence does show that productivity growth increased after 1995 in industries that are heavy users of information technology. A further analysis sorted industries into two groups according to the intensity with which they use information technology (as indicated by the ratio of their spending on information technology to their value added in 1996). The dividing line between the two groups was determined such that each group accounted for roughly half of the value added in the economy in 1996. The analysis found that growth in value added per employee was considerably more rapid in the more information technology–intensive group of industries between 1989 and 1999. In addition, the acceleration of value added per employee in this group was more than 50 percent greater than the acceleration in the less information technology–intensive group (Table 1-2).

Striking evidence of improvements in distribution and in the management of the supply chain comes from wholesale and retail trade, both of which experienced much faster productivity growth after 1995. In 1999 these industries accounted for 25 percent of full-time equivalent employees in private industry. Output in these industries increased significantly without corresponding increases in employment.

Data for financial institutions as a group also show an acceleration in productivity after 1995, supporting the view that these heavy users of information technology have performed well. Within financial institutions, however, this observation holds true only for nondepository institutions and brokers. Banks and other depository institutions experienced a reduction in productivity growth after 1995. The insurance industry also experienced an acceleration in productivity, reversing what had previously been negative productivity growth.

The services sector showed an acceleration in productivity, but this sector still experienced negative productivity growth after 1995. Business services shifted from negative to positive productivity growth, as did personal services. Health services, the largest industry in this sector, reduced its rate of productivity decline.

On balance, the pattern of productivity growth by industry is consistent with (although it does not prove) the view that improved business practices and more-productive use of information technology have played an important role in the acceleration of productivity. In addition, some of the gain in productivity is presumably associated with capital deepening.

TABLE 1-2.—*Labor Productivity Growth by Industry, Selected Periods, 1989–99*
[Value added per full-time equivalent employee; average annual percent change]

Item	1989 to 1995	1995 to 1999	Change ¹
Private industries ²	0.88	2.31	1.43
Agriculture, forestry, and fisheries .....	.34	1.18	.84
Mining	4.56	4.06	-.50
Construction	-.10	-.89	-.79
Manufacturing	3.18	4.34	1.16
Durable goods	4.34	6.84	2.51
Nondurable goods	1.65	1.07	-.59
Transportation	2.48	1.72	-.76
Trucking and warehousing	2.09	-.73	-2.82
Transportation by air	4.52	4.52	.00
Other transportation	1.51	2.14	.63
Communications	5.07	2.66	-2.41
Electric, gas, and sanitary services	2.51	2.42	-.09
Wholesale trade	2.84	7.84	4.99
Retail trade .....	.68	4.93	4.25
Finance, insurance, and real estate	1.70	2.67	.97
Finance	3.18	6.76	3.58
Insurance	-.28	.44	.72
Real estate	1.38	2.87	1.49
Services	-1.12	-.19	.93
Personal services	-1.47	1.09	2.55
Business services	-.16	1.69	1.85
Health services	-2.31	-1.06	1.26
Other services	-.72	-.71	.01
<i>Addenda:</i>			
Intense information technology users	2.43	4.18	1.75
Less intense information technology users	-.10	1.05	1.15

¹ Percentage points.

² Not directly comparable with the private nonfarm business sector results shown in Table 1-1, because the income-side data used here include agriculture and because data in Table 1-1 are based on the average of income- and product-side measures of output per hour worked.

Source: Council of Economic Advisers, based on data from Department of Commerce (Bureau of Economic Analysis).

Some difficulties in the data, however, both help explain certain puzzles or anomalies in Table 1-2 and suggest that these results should not be taken as definitive. First, consistent data on output and labor input by industry are available only for 1987–99. The cyclical peak year of 1989 is taken as the starting point here, further shortening the span of the data. The brevity of the time periods before and after 1995 mean that observed growth rates may not reflect actual industry trends. Second, output in the private sector (or in nonfarm business) is computed initially at the aggregate level and then broken down by industry. Because this process is inexact, productivity growth can be overestimated in one industry and underestimated in another.

Third, difficulties in constructing price deflators for industries such as business services, insurance, and health care add errors and uncertainties to estimates of productivity in these industries and in every industry that purchases inputs from these hard-to-measure industries. The negative productivity growth reported for health care, for example, seems inconsistent with the rapid pace of technological innovation in that industry (see Chapter 5).

Despite these data problems, the industry results are important. Some prior analyses based on earlier data appeared to conflict with the view that productivity growth was increasing in computer-using industries. This new evidence, however, broadly supports the view that the new technologies are yielding economic benefits.

Learning from the New Productivity Trends

The breakdown of the sources of accelerated productivity and the analysis of industry data suggest three important lessons:

- *The information technology sector itself has provided a direct boost to productivity growth.* Part of the recent surge in productivity is the direct result of productivity growth within this sector.
- *The spread of information technology throughout the economy has been a major factor in the acceleration of productivity through capital deepening.* Increasingly, companies have been eager and able to buy powerful computers at relatively low prices. The rapid advances in computer technology, together with favorable economic conditions, have fueled a computer and software investment boom.
- *Outside the information technology sector, organizational innovations and better ways of applying information technology are boosting the productivity of skilled workers.* A variety of changes that go beyond the direct application of new computer technology, including structural changes in private businesses and more effective use of worker skills, have further boosted productivity.

What accounts for the changes revealed in this productivity analysis? Answering this question requires moving behind the aggregate and industry numbers to consider three sets of complementary developments: changes within the information technology sector, changes in other sectors, and changes in economic policy.

Innovations in the Information Technology Sector

Dramatic developments occurred within the information technology sector in the 1990s, particularly in the second half of the decade, when the pace of innovation accelerated. The top left panel of Chart 1-5 shows the surge in private research and development (R&D) spending on information technology, and the top right panel shows the increase in the pace of innovation (as measured by the number of information technology patents granted annually). The bottom left panel depicts the surge in the production of computers, semiconductors, and communications equipment: between 1992 and 2000, real output in this sector increased more than 13-fold. The bottom right panel shows the rapid increase in employment in the industries providing computer, data processing, and communications services.

The process by which new information technologies are created in the United States has undergone a number of major changes that have transformed the ways in which such innovation occurs. In much of the postwar period, defense spending was a major driver of innovation, and the Federal budget was a more important source of R&D funding than it is today. Innovation, however, was undertaken predominantly by large manufacturers, and the U.S. economy was less integrated with the international economy than it is today. That situation has changed considerably, as Chapter 3 describes in detail. Four developments in particular deserve mention: changes in the competitive environment, changes in organizational structures, changes in compensation and finance, and innovations in complementary technologies.

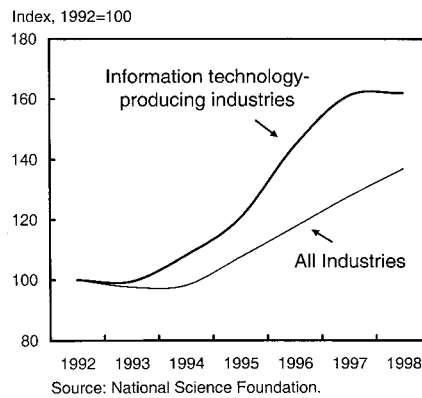
Growing Competition

The information technology sector is being driven by heightened competition in an increasingly deregulated economy in which international trade plays an ever-growing role. These pressures foster the creation and adoption of new technologies, especially in the private sector, which has begun to play a greater role in innovation since the end of the Cold War. When businesses bring innovations to market, their rivals are given strong incentives to innovate as well. In the area of information technology, the firm that is the first to gain market acceptance for a new type of product often gets to set the standard for that product, and therefore is most likely to capture the lion's share of the market. The innovating firm can then exploit its early success, to develop the next generation of technology and products. The prospect of second-generation success thus raises the premium on rapid innovation.

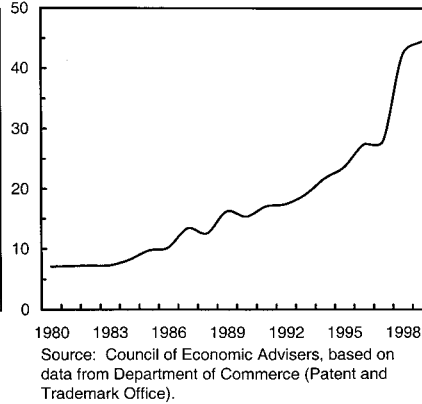
A host of measures show a surge in information technology activity since the early 1990s.

Chart 1-5 Indicators of Growth in Information Technology Activity

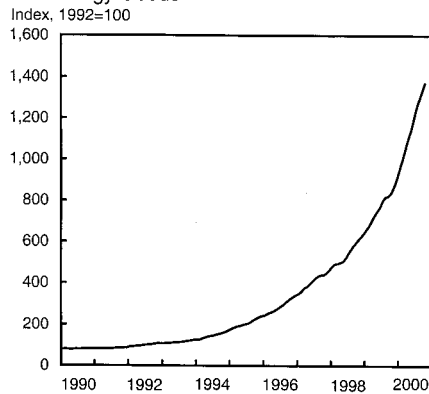
Real Company-Funded R&D Spending



Patents Granted for Information Technology Applications
Thousands per year

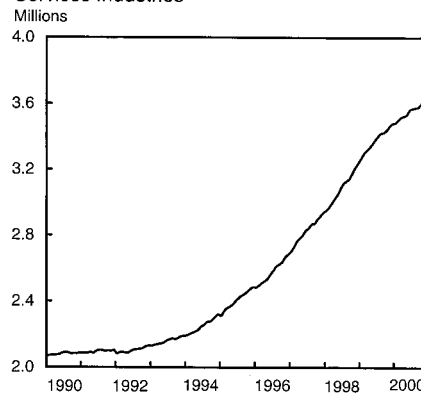


Industrial Production of Information Technology Goods



Note: Information technology goods comprise computers, semiconductors, and communications equipment.
Source: Board of Governors of the Federal Reserve System.

Employment in Information Technology Services Industries



Note: Information technology services industries comprise computer and data processing services and communications services.
Source: Department of Labor (Bureau of Labor Statistics).

For firms to have strong financial incentives to innovate, there must be strong demand for such innovation from other firms in other industries. Almost 70 percent of all information technology products are purchased by the wholesale and retail trade, finance, and telecommunications industries. Competition in these industries (often on a global level) encourages them to seek out new technologies to improve their own productivity. Unlike in some other countries, in which barriers to entry, pricing restrictions, and other business restrictions restrain competition, in the United States competitive pressures are generally strong. Deregulation in finance and telecommunications has helped create an increasingly competitive environment.

The number of new firms in the information technology sector is a measure of the incentives and opportunity to innovate—and the figures paint a dramatic picture. Between 1990 and 1997 the number of information technology firms more than doubled (Chart 1-6). Many innovations have come from talented individuals in small startup companies that are willing to take risks.

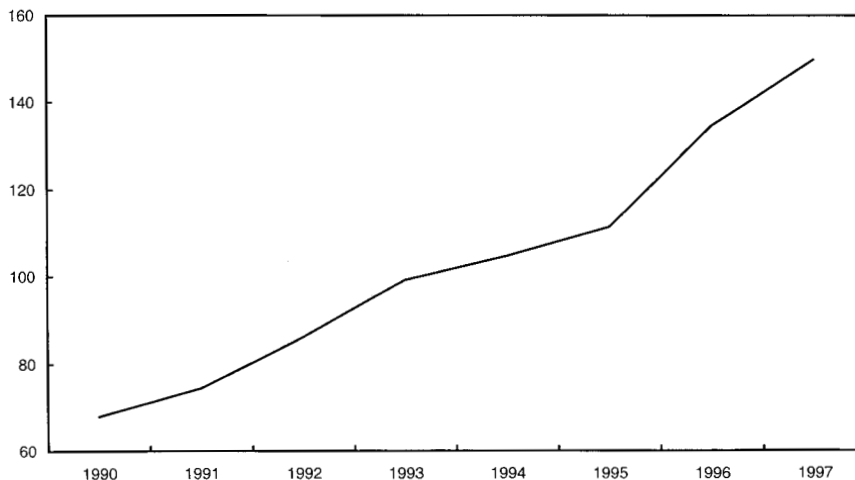
Organizational Changes

Competitive pressures have increased the importance of introducing new products and processes quickly. Yet the know-how required to create these products has become more complex and more dispersed. Today it is rarely

The number of firms in the information technology sector more than doubled in the 1990s.

Chart 1-6 Information Technology Firms

Thousands



Source: Council of Economic Advisers, based on data from Department of Commerce (*Digital Economy 2000*) and Small Business Administration.

cost-effective for a single firm to control an entire innovation process. As a result, businesses have altered the organizational structures within which innovation takes place.

A smaller fraction of R&D now takes place within large, integrated companies. Small firms are responsible for an increasing share of the Nation's industrial research. Collaboration between innovating firms has become commonplace, as the dramatic growth in interfirm technology alliances in the 1990s demonstrates. Furthermore, today's innovations increasingly draw upon scientific knowledge, much of which is developed by universities and national laboratories. To take advantage of this science base, private firms are now performing more basic research than ever before. And because proximity to these universities and national laboratories matters—by improving a firm's chances of capturing spillovers and of hiring high-quality researchers—innovation today is often characterized by geographic concentration into high-technology clusters such as Silicon Valley, California. In these clusters and elsewhere, many new firms, free of the constraints often imposed in large, established corporations, continually enter the market with new technologies and innovative business ideas.

Innovations in Compensation and Finance

New methods of financing have evolved to address the needs of new entrants and of R&D in the information technology sector. Traditionally, firms have used their physical plant and equipment as collateral for financing. But the unique challenges of promoting innovation in sectors where much of the know-how is based on intangible capital, plus the considerable risks involved in financing high-technology companies, have generated new institutional arrangements. Venture capital, in particular, has played a crucial role, supplying funds and providing management know-how and connections for entrepreneurs. Initial public offerings (IPOs) have also been instrumental. The information technology sector has made extensive use of new compensation mechanisms that provide incentives to talented workers and managers. For example, stock options enable firms to attract and retain talent while passing some risk on to workers. The vibrant stock market has also been important, allowing venture capitalists to cash out more easily through IPOs and enabling workers holding stock options to boost their earnings. In an important sense, success has generated success, as venture capitalists score big and then use their augmented capital to seek out new profit opportunities.

The excitement over the technology revolution drove technology stocks to extraordinary heights in the spring of 2000, although they have retreated since then. The volatility in technology equity markets can be disruptive to companies seeking new funding, but investors' willingness to take risks and

the availability of financial resources for successful entrepreneurs continue to make U.S. financial markets important contributors to the New Economy. Even after the recent decline in the technology sector, price-earnings ratios remain high. This indicates that investors are still willing to take a chance on companies with low current earnings but the potential for rapid future growth.

New Complementarities

The changes in the information technology sector have been both cumulative and complementary. Innovations in one area have created demands in another. Breakthroughs in communications and data compression techniques, for instance, generate demand for improved software and for more powerful computers. Complementarities operate on both the supply and the demand sides. In particular, the falling costs associated with the use of computers have made certain types of research feasible for the first time—the mapping of the human genome, for instance, was made feasible by computers. Information technology is becoming increasingly important in the development of new treatment options, and the Food and Drug Administration uses computers to streamline the analysis and approval of new drugs. Demand is particularly powerful when it generates positive feedback through network effects. E-mail, for example, becomes increasingly useful as more people use it.

The evidence suggests, then, that a number of factors have combined to create a uniquely favorable climate for entrepreneurs. These factors include a growing demand for new and improved technologies (spurred by intense domestic and global competition and technological complementarities), the improved capacity of reorganized firms and networks to supply the new technologies, and innovations in thriving financial markets.

Innovation Throughout the Economy

Simply buying and installing new technology does not automatically increase productivity, profitability, or job creation. Yet some views of the New Economy reveal a kind of naïve technological determinism that ignores the vital role of complementary changes in production and business practices. Companies throughout the U.S. economy have been radically transformed by new technologies that enable entire product networks to become more efficient, effective, and integrated. These transformations are detailed in Chapter 3, but a few of the most important changes are noted here, including changes in production, inventory and supply management, customer relations, and corporate structure.

New Production Methods

Innovations in information technology have generated many changes in manufacturing processes. New technologies permit workers to analyze data and make detailed adjustments to production lines on the plant floor, boosting productivity, improving quality, and lowering costs. The availability of data, often on a real-time basis, allows for continuous performance evaluation that can improve efficiency. Workers who have access to information technology can be empowered with more decisionmaking responsibility. In addition, the new technology allows organizations to disseminate information and coordinate their activities more easily, resulting in less hierarchical organizational structures. In turn, these new structures may reduce costs and further increase efficiency. Finally, as in the information technology sector itself, innovations in the way workers are compensated can help firms achieve greater productivity gains from new technology, spurring further innovation in compensation and finance. Studies suggest that worker performance improves when incentives are tied more closely to performance. Stock options have become more common as a method of attracting, retaining, and rewarding employees.

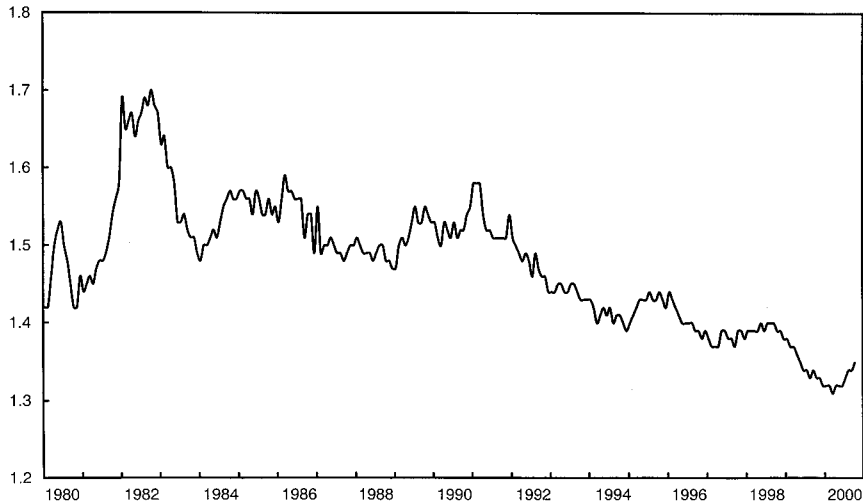
Changes in Inventory and Supply Chain Management

Firms typically hold inventories as a cushion against uncertainties. Producers keep excess raw materials and other inputs on hand to prevent shortages on the production line, for example, and stores maintain inventories to meet fluctuations in demand. The need for inventories springs in part from incomplete information about demand. For this reason, technologies that improve the dissemination of information enable companies to react more promptly to market signals and to economize on inventories (by sharing point-of-sale data, for example). Indeed, aggregate inventory-to-sales ratios have fallen significantly since the early 1990s (Chart 1-7).

The new information technologies have also changed the nature of relationships between firms and their suppliers. Procurement practices have changed radically, as firms become linked to suppliers through Internet-based business-to-business marketplaces. This capability allows businesses to streamline procurement activities, lower transactions costs, improve the management of supplier relationships, and even engage in collaborative product design. “Just-in-time” delivery, facilitated by a more efficient transportation network including both surface and aviation infrastructure, has been instrumental in allowing firms to reduce inventories and lower costs while continuing to provide essential services to producers and consumers.

Supply chain management has reduced inventories.

Chart 1-7 Inventory-to-Sales Ratio in Manufacturing and Trade
Months of supply



Source: Department of Commerce (Bureau of the Census).

New Relationships with Customers

Information technologies give firms the ability to develop richer, more targeted relationships with their customers. Firms are able to tailor marketing and product design more precisely to customer needs. Customers, in turn, are able to find and compare the products that most closely match their preferences. Scanner data from retail stores allow companies to monitor which items are selling and which are not. This information can be transmitted back to manufacturers, who can then adjust their production schedules. This avoids stockouts and surplus inventory. The information from scanners can also be used for marketing. Customers who have purchased outdoor adventure products, for example, can be sent information on related gear or travel opportunities that they may wish to purchase.

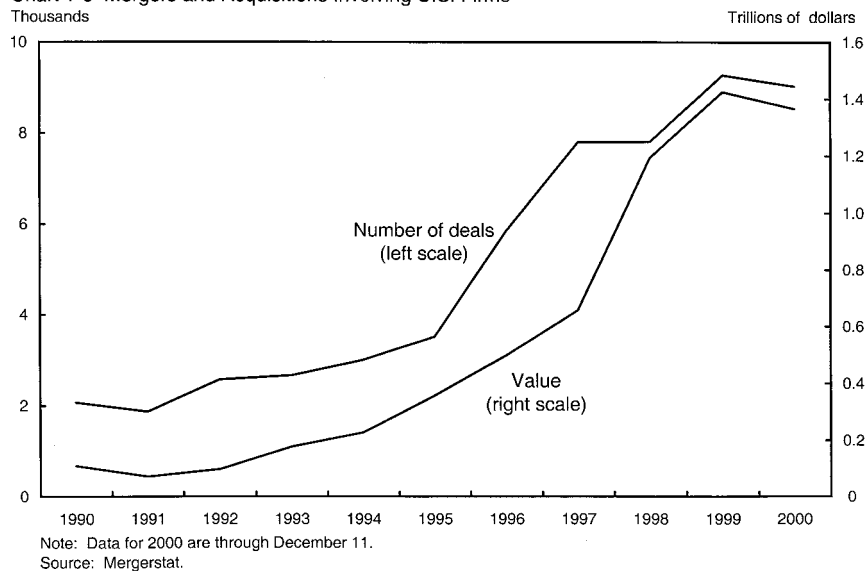
Shifting Corporate Boundaries

Markets allocate resources efficiently by setting prices, expanding choices, and encouraging competition. But in situations where pricing and writing contracts is costly and difficult, where uncertainty is high, and where information is difficult to come by, some activities may be more efficiently undertaken within the firm than in the marketplace. Transactions costs thus affect the make-or-buy decision, which determines where the firm's boundaries end and the market begins. Information technologies can radically change where these boundaries should be drawn, and this sets in motion

both centrifugal and centripetal forces. An example of the latter is the large number of recent mergers, some motivated by the belief on the part of some firms that new technology allows the span of organization to be extended. As Chart 1-8 shows, both the number and the value of mergers and acquisitions have moved to new heights as firms seek to capitalize on both efficiency gains and increased market power. On the other hand, many small firms may be able to benefit by specializing in a few core activities. This can lead companies to spin off parts of their operations—an example of centrifugal forces at work.

Both the number and the total value of mergers and acquisitions have exploded.

Chart 1-8 Mergers and Acquisitions Involving U.S. Firms
Thousands



Behind the New Trends: The Role of Policy

The Administration's policy strategy has complemented and fostered the private sector initiatives that generated these new trends. The approach has rested on three major pillars: fiscal discipline, investing in people and technologies, and opening markets at home and abroad. Each of these policy emphases has contributed to the economic environment in which the New Economy has thrived. They have promoted the emergence of an economy in which innovative new businesses are stimulated by relatively low interest rates, an abundant supply of risk capital, world-class educational and research institutions, a well-educated and well-trained work force, competitive product and labor markets, and the development and diffusion of the

Internet. In addition, the Administration has pursued new social policies to ensure that the American people have the opportunities to share in the gains of the New Economy.

Fiscal Discipline

The Omnibus Budget and Reconciliation Act of 1993 was the right policy package at the right time. The Federal funds rate had been moved to a low 3 percent in 1992 in an attempt to stimulate the economy and create jobs. But long-term interest rates remained stubbornly high. The 10-year Treasury bond rate averaged 7.0 percent in 1992—unusually high for a weak economy. Bond yields were being predictably affected by the forces of supply and demand: the Federal Government was set to run a deficit of almost \$300 billion, adding a massive new increment to the already swollen stock of outstanding debt. With an oversupply of government bonds and the prospect of even more to come, bond and stock prices were depressed, and yields were correspondingly high.

In 1992 the new Administration was elected on a promise to turn the deficits around. After a tough political battle in 1993, the Administration was able to deliver on that promise. The 1981 reductions in tax rates for those in the upper income brackets were partly rolled back, and Federal spending was restrained. The markets responded quickly to this serious effort to address the deficit by lowering expectations of future inflation, and long-term interest rates accordingly fell. The 10-year Treasury rate hit a low of 5.3 percent in October 1993. Over the next year or so, the combination of a stronger economy and the Federal Reserve's decision to boost short-term rates pushed long-term rates slightly upward again, but they remained lower than they would have been without deficit reduction.

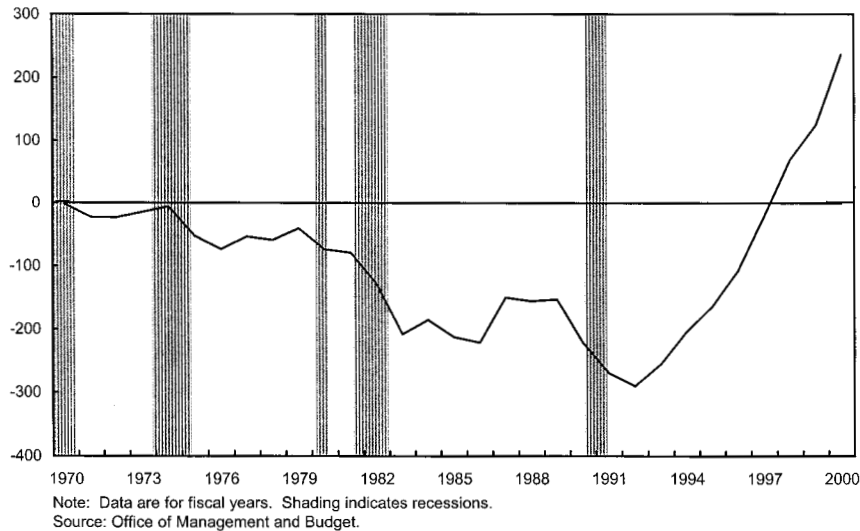
As economic growth and further restraints on spending (including the bipartisan 1997 budget agreement) turned the huge deficits into surpluses, a new fiscal environment emerged. The 10-year Treasury rate fell below 6 percent in 1998 and 1999. And despite the extraordinarily strong economy and associated upward movement in short-term rates, that rate stood at only 5.7 percent in November 2000. With a swing in the budget balance of an impressive \$492 billion over the last 7 years, the budget surplus for fiscal 2000 came in at \$236 billion, or 2.4 percent of GDP.

Chart 1-9 shows budget deficits and surpluses in each fiscal year from 1970 to 2000. The ups and downs caused by the business cycle are clearly visible. But even clearer are the trend prior to 1993 and the subsequent sharp turnaround. The 1993 deficit reduction act and subsequent restraints on spending both fueled and capitalized on the private sector's potential for rapid growth. (See Chapter 2 for more discussion of fiscal policy and the deficit.)

The budget balance improved sharply after 1993.

Chart 1-9 Federal Budget Balance

Billions of dollars



The most direct link between improved fiscal discipline and growth is that through low interest rates, which encourage investment. As interest rates fall, financing of all kinds of activities becomes less costly. In addition, low interest rates help keep the stock market strong, allowing companies both old and new to lower their cost of capital. Ultimately, the combination of falling prices for investment goods and reduced interest costs stimulated dramatic growth in investment. Led by equipment and software purchases, investment grew 13 percent per year between the first quarter of 1993 and the third quarter of 2000. Investment is not the only engine of growth, but new technologies cannot be acquired without it. Strong investment is essential to rapid growth, and by reducing the amount of saving that must go to finance the public debt, fiscal discipline has made room for strong investment.

The result has been a virtuous cycle, in which the right policies in 1993 kicked off a chain reaction of smaller deficits, lower costs of capital, higher investment, increased technology in the workplace, and faster economic growth. As the deficit became a surplus, the virtuous cycle kept turning.

Investing in People and Technology

If fiscal discipline had been achieved through cutbacks in education, training, and technological development, it probably would have failed. At the least it would have undermined the potential for long-term growth. But

the Administration did not make this mistake; instead its budget proposals consistently pushed for increased spending for growth-oriented programs while reducing total outlays. And although not all the requests were approved in the final budgets, substantial funding increases did occur in these areas.

Investments in people have come along several fronts. The Administration has invested in children through support of kindergarten through 12th grade (K-12) education, it has helped Americans attend college, and it has worked hard to improve the training opportunities available to American workers.

Our public schools play a crucial role in determining the future productivity of American workers. The Federal Government has been an important contributor to K-12 education by helping to ensure a more equitable distribution of opportunities. Federal funds offset a good deal of the difference in educational spending between rich and poor districts. Through the E-rate program, the Administration has helped schools invest in new technologies for the classroom. The Administration has also provided leadership on initiatives to reduce class size, raise standards, and improve accountability. Programs such as the 21st Century Community Learning Centers Program help communities utilize their school buildings after school hours to provide enriching programs for children.

The New Economy has provided increasing rewards for higher education. Responding to this fundamental change in the labor market, the Administration has helped students prepare for college through the GEAR UP (Gaining Early Awareness and Readiness for Undergraduate Programs) and TRIO programs. These programs help students in high-poverty schools and from low-income families through academic enrichment programs and mentoring. For students who are admitted to college, Administration programs such as the HOPE Scholarship tax credit and the Lifetime Learning tax credit help students and their families afford the tuition. The Administration has also substantially increased the funds available through the Pell grant program.

Because learning continues throughout a lifetime, and skills often need to be updated, the Administration has strongly supported training programs for those already in the work force or seeking to rejoin it. The Workforce Investment Act provides job training and job search assistance, with priority given to low-income and displaced workers. In conjunction with the programs of the Workforce Investment Act, Youth Opportunity Grants help at-risk youths develop job skills. The Administration has also supported the NAFTA Transitional Adjustment Assistance program to address the needs of workers affected by economic dislocations resulting from the North American Free Trade Agreement.

During the past 8 years, research funding at the National Science Foundation has been increased by more than 60 percent, and that for the

National Institutes of Health by more than 80 percent. Information technology has also been targeted for increased research. For fiscal 2001 the President requested more than \$2 billion in Federal support for information technology research, which will substantially increase the Federal commitment to R&D in this area. He also called for a new initiative in nanotechnology, which could someday lead to the ability to store the information equivalent of the Library of Congress in a device the size of a sugar cube, and the development of materials that are 10 times stronger than steel but a fraction of the weight.

Of equal importance has been the Administration's commitment to fostering innovation in the private sector. The Research and Experimentation tax credit has been extended through 2004. The Administration supported the Internet Tax Freedom Act, which imposed a moratorium on Internet taxes, enhancing the ability of entrepreneurs to explore new commercial applications of this medium. The White House's Framework for Global Electronic Commerce called for private sector leadership and limited government involvement: government should intervene only to support a predictable, consistent, and simple legal environment for e-commerce. The Administration has also supported reform through the Telecommunications Act of 1996, which encouraged competition in the telecommunications industry and has led to lower prices, more customer choice, and faster deployment of broadband networks to homes and businesses.

Setting the Rules for Fair and Open Competition

The United States has long had a bipartisan agenda aimed at expanding world trade and investment, and a succession of Administrations have negotiated trade agreements in various forums. Over the past 8 years, this Administration has sustained the Nation's agenda for international trade, signing and achieving ratification of a series of important international agreements. These include the North American Free Trade Agreement establishing a free-trade area throughout Canada, Mexico, and the United States; the Uruguay Round agreement of the General Agreement on Tariffs and Trade, which set up the World Trade Organization (WTO), a rules-based, member-driven organization that regulates tariffs and trade worldwide; multilateral agreements within the WTO on trade in financial services, basic telecommunications, and information technology; a moratorium on tariffs on digitally delivered goods; and an agreement with China that has paved the way for its entry into the WTO. This extraordinary record of achievement has already paid off in improved economic performance and will contribute to continued growth ahead.

Globalization, spurred in part by these and other agreements, has been particularly important in promoting the competitive pressures that have made the U.S. economy so innovative. Foreign competition encourages U.S. firms to improve and innovate, as firms that compete against the best companies in the world are likely to adopt best practices themselves. U.S. companies have also had the opportunity to take their own best technologies and practices overseas through exports and foreign direct investment. Globalization has also increased price competition, helping to keep inflation down.

Globalization has also played a key role in enhancing domestic production and adoption of information technologies. By exporting to global markets, U.S. innovators have achieved scale economies that can increase the returns to R&D in information technology. U.S.-based producers also use components that can be produced more cheaply abroad than at home to make products that are internationally competitive. The importance of such global linkages for the computer industry is vividly indicated in Chart 1-10, which shows that, in 1999, imports accounted for fully 60 percent of U.S. domestic spending on computers, while about 50 percent of domestically produced computers were exported.

International competition has reinforced competition at home. The vast U.S. market provides a competitive environment for most industries, even without foreign trade. This large national market has been one of the great strengths of the U.S. economy over the years. But competition can be threat-

Trade is vital to the computer sector.

Chart 1-10 Computer Imports and Exports as a Share of Computer Purchases and Production



Source: Department of Commerce (Bureau of Economic Analysis).

ened if a single company abuses its dominance in a market. Under this Administration, this threat has been met by the active enforcement of U.S. antitrust laws. These laws do not discourage successful companies from growing and gaining market share by creating competitive products and services. Rather, they prevent companies from seeking to gain a market position that would threaten competition in an industry. Antitrust laws limit corporate conduct that undermines competition and consequently harms consumers. Indeed, the ultimate goal of antitrust legislation is to protect consumers' interests.

Regulatory policies have also promoted competition. The regulatory reform movement has been bipartisan ever since its beginnings in the 1970s, and the 1990s have been no exception. The 1996 Telecommunications Act and auctions of portions of the electromagnetic spectrum to telecommunications providers have allowed new companies to compete against existing ones and dramatically expand the availability of wireless service. This industry has exploded with new investment and new services, and with a third generation of wireless service on the horizon, it is vital that progress not be slowed.

In financial services, the Glass-Steagall provisions instituted in the 1930s prevented banks from joining with stockbrokers and insurance companies to create financial monopolies. Restrictions on interstate banking prevented bankers from straying too far from the geographic areas they knew well. Given the massive financial instability of the 1930s, narrowing the range of banks' activities was arguably important for that day and age. But those rules are not needed today, and the easing of interstate banking rules, along with the passage of the Financial Services Modernization Act of 1999, have removed them, while maintaining appropriate safeguards. These steps allow consolidation in the financial sector that will result in efficiency gains and provide new services for consumers.

Social Policies

As shown earlier, the stunning economic performance over the past 8 years has generated sharp reductions in poverty and across-the-board improvements in income. The expansion has created a high-employment economy that has provided economic opportunities for disadvantaged workers and those who have not yet acquired marketable skills. Faster growth in labor hours made an important contribution to the acceleration in output that occurred in the second half of the 1990s. In a tight labor market, employers hire and train workers they might previously have passed over. During the 1990s employers hired and trained young people and older workers, who typically comprise an untapped pool of potential. But specific policies have also expanded opportunities.

The Earned Income Tax Credit increases the payoff from work for low-income families, especially those with children. Since 1993 the benefits and coverage of this credit have been expanded. In 1999 beneficiaries received a total of nearly \$31 billion (compared with \$15.5 billion in 1993), and the number of families receiving assistance increased by one-third, from 15 million to nearly 20 million. The minimum wage operates in tandem with the Earned Income Tax Credit to raise the incomes of working families. The Administration proposed an additional \$1 increase in the minimum wage in 2000. Even without this change, when combined with the maximum 40 percent subsidy from the Earned Income Tax Credit, the effective minimum wage is \$7.21 per hour of work. The cost to employers, however, is much lower. Meanwhile welfare reform has encouraged families to become self-sufficient and has supported them as they make the transition to work. The Administration is reaching out to communities left behind by economic growth with its New Markets Initiative, passed with bipartisan support.

Some have suggested that all government programs designed to help the disadvantaged reduce incentives and discourage economic growth. This argument maintains that only a laissez-faire policy is compatible with the labor market flexibility necessary to achieve strong economic performance. But the Earned Income Tax Credit, welfare reform, assistance with the transition from welfare to work, and support for lifelong learning all indicate that government intervention can both improve incentives to work and reduce economic inequality.

Challenges for the Future

Economic performance in the last 8 years has been so strong and so qualitatively different from that of the previous two decades that it may seem obvious that a New Economy has emerged. When productivity growth and GDP growth both accelerate sharply, when unemployment and inflation fall to their lowest levels in 30 years, when poverty starts to fall again after years of worsening, and when incomes accelerate across the board, clearly a significant change has occurred.

In addition, the economic transformations described in this Report point to a truly *New* Economy. Information technology has become a pervasive part of economic life, changing the way nearly all Americans work—from farmers using the Internet to check a satellite report on soil moisture, to software designers using the latest technology to create a new learning program. Computers have been facilitating change in business systems for some time, but the explosive growth in the production and use of information technology that has taken place in recent years has gone much further. The

American economy has been profoundly altered. The innovations that have taken place both within the information technology sector and throughout the rest of the economy have included complementary developments in organization, business practices, and public policies.

But the New Economy label is easy to misuse. The New Economy cannot be invoked as the solution to all of America's problems. Its emergence does not mean that the lessons of economic history can be discarded or that concern for the disadvantaged and elderly can be forgotten. As we describe in the rest of the *Report*, there remain many challenges ahead. This chapter concludes with a brief summary of each of the remaining chapters and the principal challenges that they identify for policy.

Preserving Fiscal Discipline

Chapter 2 describes how changes associated with the New Economy continued to be reflected in macroeconomic performance during 2000. Although growth began to moderate in the third quarter, it was still on track to be about 4 percent over the course of the year. The remarkable combination of very low unemployment and tame inflation remained evident even as the economy proceeded through its 10th year of expansion. Investment in equipment and software remained robust, and productivity growth was very strong.

The chapter goes on to describe the challenges faced in 2000 as the economy negotiated some speed bumps, such as the cooling off of the stock market and rising oil prices. Although risks can never be eliminated, the virtuous cycle of sound budget policies and strong economic performance has left future policymakers with an economy that is well positioned to weather possible storms. The chapter also presents the Administration's forecast for the next 11 years.

For the longer term, the chapter examines the historic turnaround in the budget outlook since 1993 and the challenge of preserving the fiscal discipline that has been achieved. The aging of the population will put increased pressure on budget resources for such programs as Social Security and Medicare as the new century progresses. The chapter describes how, by taking appropriate actions now to preserve the budget surplus and make sound investments, the resources can be made available to deal with these pressures when they arise. And although the New Economy will not stop the population from aging, its continued manifestation in strong productivity growth can be a further help in dealing with this challenge.

Nurturing a Vibrant Private Sector

Chapter 3 looks at the sources of performance improvements in plants, firms, and industries. It traces these improvements to technological innovation, particularly in information technology, along with complementary organizational practices that enhance the productivity of this technology and the emergence of a more competitive business environment. The analysis attributes the recent surge of technological innovation to strong demand for new technologies, financial market innovations such as venture capital and initial public offerings, organizational changes, increases in private sector R&D (including funding for basic research), and strong legal protection for intellectual property.

Technological innovation has been particularly important for two reasons. First, the information technology-producing sector itself is highly productive, and the growth of this sector has led to increased performance for the economy as a whole. Second, the adoption of information technology has led to performance gains in other sectors of the economy, making other inputs more productive by changing the way firms do business. Manufacturing plants are increasingly automated, and workers are being given more flexible job assignments and stronger incentives through new compensation arrangements. Supplier relationships are becoming more closely integrated through the use of computer systems that coordinate the various aspects of production and warehousing, allowing firms to reduce inventories dramatically. Firm boundaries are also shifting rapidly, as firms outsource their noncore businesses and move toward flexible, collaborative relationships such as strategic alliances with suppliers, customers, and even rivals.

The end result is an economy that is unusually vibrant, dynamic, and entrepreneurial, with a high rate of business formation—and of business failure. It is important that this dynamic, competitive framework be retained. Although government action is often needed to lay out the rules of the competitive game, it is essential that market participants be allowed to innovate and experiment. For example, the Administration took important steps in September 2000 to ensure that adequate electromagnetic spectrum will be available for new commercial communications technologies such as third-generation wireless technology. At the same time, however, U.S. wireless carriers will be free to work with their customers and suppliers to determine exactly how these technologies should be delivered.

Ensuring That Globalization Enhances the New Economy

Chapter 4 examines two interrelated phenomena: how advances in communications and technology allow for expanded international trade and

financial flows, and how increased globalization is spurring competition and innovation. Indeed, it is no coincidence that the New Economy has emerged in the United States at the same time that U.S. participation in the global economy has reached new heights, because globalization and the recent advances in information technology are inextricably linked. On the one hand, globalization has played a crucial role in promoting the technological innovation and facilitating the organizational restructuring that has yielded a New Economy. On the other hand, improvements in information technology have spurred deeper integration between the United States and the world economy.

The economic policy of this Administration has played a vital role in fostering globalization, and thus in raising the incentives for competition and innovation. Among the accomplishments of the Administration are the historic agreements listed earlier in this chapter. At the same time, a focus of U.S. trade policy has been to ensure that these and other agreements safeguard global natural resources and respect our Nation's values, including our commitment to core labor standards.

The effects of globalization and improved communications and technology are evident in U.S. international transactions. Trade in capital goods has soared since 1996, with particularly strong growth in items central to the New Economy, such as computers, semiconductors, and telecommunications equipment. There has also been strong export growth in intellectual properties and in services that reflect the value of U.S. innovation, such as business and technical services and financial services.

Although increased globalization and technological improvements have raised U.S. economic performance and contributed to our prosperity, they have also brought new challenges. Chapter 4 focuses on several of these, including the widened U.S. current account deficit, ways to increase growth in our major trading partners, and the implication of globalization and technology for developing countries. Along with the gains, globalization and technology have required adjustments as change affects workers, industries, and communities in the United States. The chapter therefore discusses the Administration's efforts to ensure that those who have not shared in the gains are helped to acquire the tools that will allow them to do so. Finally, the chapter examines the ways in which U.S. economic policy seeks to preserve the environment and support labor standards, and discusses the challenges that technology poses for countries' legal institutions, for example through its misuse for tax evasion.

Creating an Economy That Works for All

The New Economy has brought a great many good things to our Nation. But it cannot solve all our problems. Left unassisted, it will not guarantee an

equitable distribution of opportunities or an optimal use of all resources. Chapter 5 analyzes the programs and policies designed to help those who might otherwise be left behind and to improve the quality of life for all Americans. The chapter focuses on four important topics that have a direct impact on the well-being of Americans. It examines the Nation's welfare, education, and health care programs and the best ways to manage the growing pains of our most rapidly growing communities.

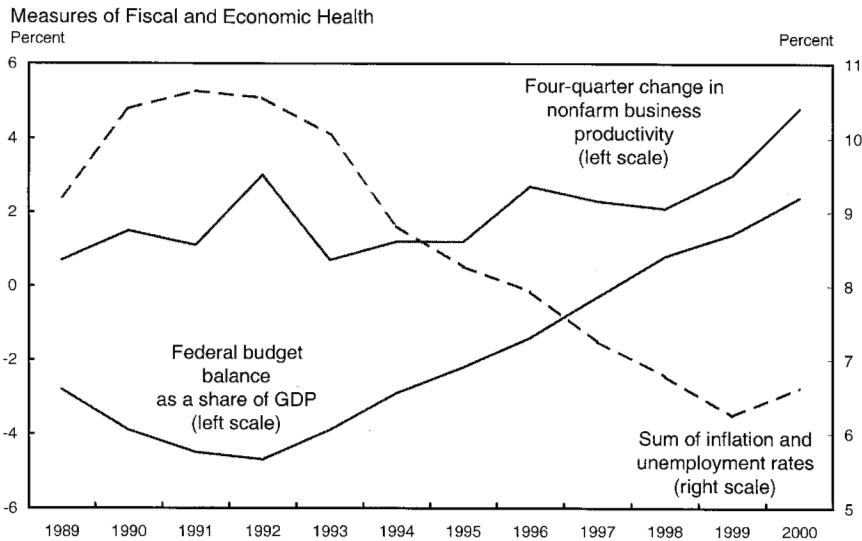
Each of these areas has been characterized by important innovations during the last 8 years. Our system of providing for the least well off Americans has changed substantially. Public assistance programs now reward work, making it easier for families to leave welfare and share in the New Economy. Policies such as the Earned Income Tax Credit, child care subsidies, and extensions of health insurance coverage provide assistance to low-income working families. Innovations in health care are directly improving the quality of life for many, and new programs are bringing computers and the Internet to the classroom, helping improve teacher effectiveness, reducing class size, and narrowing the digital divide. Finally, policies that aim to reduce sprawl and encourage smart growth are being implemented by forward-looking communities nationwide.

Despite the vast improvements in the quality of life experienced by many Americans, several challenges remain. Welfare rolls have fallen sharply: the number of people receiving welfare benefits is down by 59 percent since January 1993. However, some who have left welfare are in jobs that leave them with less income than they had while on welfare, and these individuals are likely to be among the first to lose their jobs should the economy slow. There is also the challenge of what to do for those who remain on welfare. Current law sets a lifetime limit of 5 years on receipt of welfare benefits. It is not clear what will happen to those who exhaust these benefits and are unable to find jobs. More broadly, substantial disparities in economic well-being remain across racial groups and across regions; minorities and residents of the Nation's central cities and rural areas suffer disproportionately high rates of poverty and unemployment. Educational opportunities are also unevenly distributed. Wealthy school districts spend more per pupil than poor ones, and white children continue to score substantially higher on national examinations than African-American or Hispanic children. They are also more likely to go on to college. Our health care system presents numerous challenges as well. It is important to continue to control health expenditures to ensure that care is affordable to all. Issues related to managed care must be resolved in a way that appropriately aligns incentives so that health care is not overly restricted or overly prescribed. Even with these issues under control, many Americans will continue to lack health insurance coverage and will therefore be unable to take advantage of the quality of care

available to the majority. Finally, the New Economy has allowed certain geographical regions to experience enormous growth in jobs and population. This growth, where left unchecked, has led to suburban sprawl and serious environmental consequences.

The final chapter of the Report recaps the story of the New Economy: where it came from, how it is affecting our lives, and the challenges it poses for the future.

Macroeconomic Policy and Performance



Since 1993, the economy has experienced rising productivity growth, low rates of unemployment and inflation, and a turnaround in the budget balance.

The United States achieved a growth milestone early in 2000. In February the duration of the economic expansion, measured from the last business cycle trough in March 1991, reached 107 months, eclipsing the previous record set in the 1960s. With private payroll employment growth strong in November 2000, the expansion appeared to still have steam left after 116 months. Even more remarkable than the length of this marathon expansion has been its ongoing strength. In the ninth consecutive year of economic growth, driven by vigorous investment and accelerating productivity, real GDP grew a torrid 6 percent between the second quarter of 1999 and the second quarter of 2000, yet core inflation (which excludes changes in food and energy prices) remained tame. It is probably not surprising after such a surge that growth moderated in the third quarter. Nevertheless, the unemployment rate in November remained a low 4.0 percent.

Strong and rising productivity growth well into an expansion and the prolonged coexistence of low unemployment and low inflation have not previously been seen together in the postwar period. Together with a sustained high rate of investment in new technology, this confluence of

indicators is evidence that the United States is indeed in a New Economy. But even a New Economy cannot claim to have banished the business cycle, and indeed risks remain. For example, oil price shocks were associated with the onset of recession twice in the 1970s and again in 1990, and oil prices have increased sharply in the past 2 years. Yet the fundamental soundness of today's economy augurs well for its ability to weather the oil price storm, just as it weathered the turmoil of the Asian, Russian, and Latin American financial crises in 1997–98. Indeed, the U.S. economy appears to be at a unique juncture in its modern history, reaping the benefits of sound policies and a business environment rife with new technological possibilities.

This chapter describes the fruits of these policies and technological developments as they manifest in the recent performance of the overall economy. But it also looks to the future. In particular, the chapter discusses the importance of preserving the fiscal discipline that has contributed in a major way to encouraging investment and supporting the strong economic performance of recent years.

The chapter begins with a review of macroeconomic developments during 2000. This review identifies several positive trends that herald a New Economy, such as sustained high investment rates, continued strong productivity growth, and low unemployment with stable core inflation. But it also notes two potential caution signals: a low and falling private saving rate and a widening trade deficit. Although either of these could become the source of problems, each appears, in the short run at least, to be a side effect of the economy's investment-led growth rather than an indicator of poor performance. Low private saving, as measured in the standard national income accounts, has been accompanied by large increases in wealth that are not part of saving as conventionally measured. In large part these increases in wealth stem from the unprecedented recent rise in the stock market, reflecting, among other things, investors' optimism about the prospects for continued rapid growth in corporate profits. Similarly, the widening deficit in the Nation's international accounts may well reflect not only low private saving out of current income here at home but also, as discussed in Chapter 4, the attractiveness to foreigners of investing in the United States.

Although the evidence is widespread that there really is something new about the economy, it is not clear just how much the basic parameters of macroeconomic performance have changed. Productivity growth has certainly been strong of late. But just how much of the increase in productivity growth is due to temporary factors such as the phase of the business cycle, and how much represents an improved long-term trend? The economy has been able to achieve remarkably low unemployment rates without igniting inflation. But has the concept of a minimum sustainable rate of unemployment consistent with stable inflation lost relevance, and if not, has

that rate changed? Recently, the succession of positive developments that suggest we are in a New Economy has also led forecasters to keep revising their short-term forecasts upward. But does this mean simply that those particular forecasts were wrong, as forecasts have been before, or has the New Economy rendered the forecasters' models obsolete? None of these questions can yet be answered definitively, but this chapter's discussion of the Administration's forecast and the short-term economic outlook addresses some of them. Because the forecast plays such an important role in the budget process, this Administration has consistently been cautious about giving too much weight to recent favorable deviations from longer term trends. But if productivity continues to accelerate and policy remains sound, the economy could yet again outperform the forecast.

The last part of the chapter shifts the focus from the short-term performance of the economy and the economic outlook to the long-term fiscal outlook. The remarkable turnaround in Federal Government finances over the past 8 years has created a virtuous cycle in which fiscal prudence has helped keep interest rates attractive for investment, and the resulting strong, productive investment has generated a healthy and growing economy that yields ever-larger budget surpluses. As a result, the United States is on track to be free of public Federal debt before the middle of the next decade. Even if the economy continues to perform reasonably well, however, that outcome is not guaranteed if the government makes unwise fiscal choices. Moreover, as this chapter will document, demographic trends are pushing us toward a situation in which an aging population will put pressure on the budget and deficits could reemerge. Maintaining fiscal discipline today is critical to building up the resources and the economic strength needed to address these demographic pressures down the road.

The Year in Review

After growing rapidly between mid-1999 and mid-2000, the economy showed signs of moderating in the second half of 2000. Nevertheless, real GDP grew at a 4.2 percent annual rate over the first three quarters of 2000, following 4 consecutive years of growth in excess of 4 percent. Once all the data are in, growth in 2000 is likely to have been near the 4 percent average annual rate that has been achieved since 1993 (Chart 2-1). The pattern of spending in 2000 was similar to what it had been in the preceding 2 years (Table 2-1), with consumer expenditures growing faster than income, business investment in equipment and software growing robustly, and domestic spending outpacing domestic income to produce a further decline in net exports. With the economy already operating at a very low level of

Economic growth has averaged over 4 percent annually since 1996 and was particularly strong between mid-1999 and mid-2000.

Chart 2-1 Growth in Real GDP

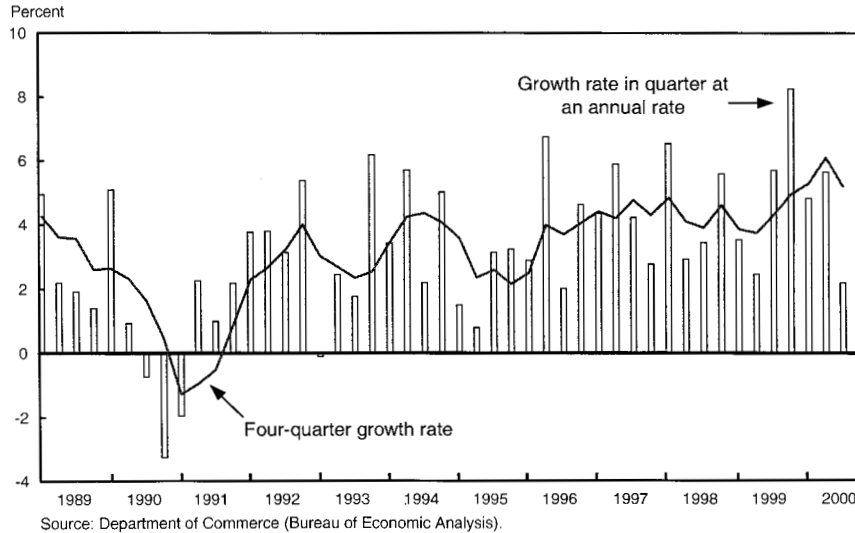


TABLE 2-1.—*Growth of Real GDP and Its Components During 1998-99 and 2000*

Item	Growth rate (percent)		Contribution to GDP growth (percentage points)	
	1998-1999	2000	1998-1999	2000
Gross domestic product	4.8	4.2	4.8	4.2
Final sales	4.7	4.3	4.7	4.3
Consumer expenditures	5.3	5.0	3.5	3.4
Residential investment	6.5	-2.2	.3	-.1
Business equipment and software	15.0	14.5	1.4	1.4
Business structures	1.6	13.5	.0	.4
Exports of goods and services	3.3	11.4	.4	1.2
Imports of goods and services	11.6	15.8	-1.5	-2.2
Federal Government consumption and gross investment	2.8	-2.9	.2	-.2
State and local government consumption and gross investment	3.9	2.7	.4	.3
Change in inventories .....			.1	-.1
Final sales to domestic purchasers	5.8	5.1	5.8	5.2
Net exports			-.9	-.9

Note.—Growth rates for 1998-99 are from fourth quarter 1997 to fourth quarter 1999 at an annual rate; rates for 2000 are from fourth quarter 1999 to third quarter 2000 at an annual rate.

Contributions are approximate.

Detail may not add to totals because of rounding.

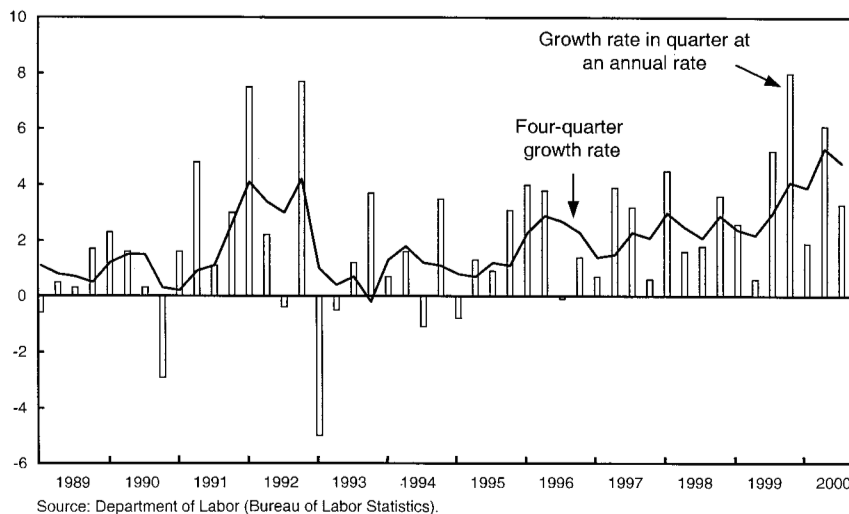
Source: Department of Commerce (Bureau of Economic Analysis).

unemployment, one measure of labor input, hours worked, grew at only a 1.3 percent annual rate in the first 11 months of 2000, and the labor force participation rate was flat. Nevertheless, economic growth continued to be strong because of surging labor productivity (Chart 2-2). Although rising energy prices contributed to an increase in overall inflation, core inflation increased only modestly despite continued tight labor markets.

In 2000 the economy had to negotiate several speed bumps. First, the explosive growth in the stock market that in recent years has fueled both consumer spending and investment came to a halt. Technology stocks in general and Internet stocks in particular fell sharply after peaking in the spring, and near the end of the year they were down from their 1999 close. This cooling of the stock market most likely played a role in slowing growth in consumer spending and business investment as the year progressed. Rising energy prices probably also helped slow the economy, as did increases in interest rates associated with monetary tightening by the Federal Reserve between June 1999 and May 2000. The challenge for policymakers has been to negotiate these speed bumps and keep the economy on a sustainable growth path with low unemployment and stable inflation. Success in doing so thus far has given the United States a record-breaking economic expansion that has now lasted almost 10 years.

Productivity growth has risen since 1995 and exceeded 5 percent between mid-1999 and mid-2000.

Chart 2-2 Growth in Output per Hour in the Nonfarm Business Sector
Percent



Private Domestic Spending

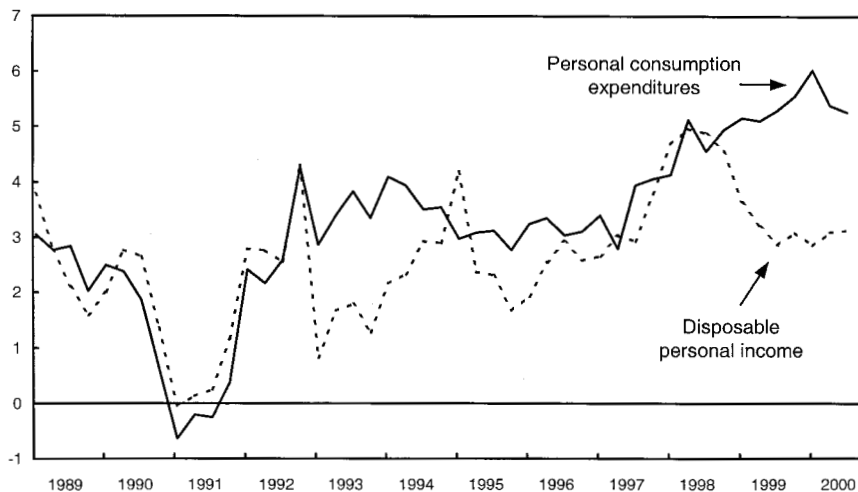
The rich technological opportunities and booming stock market that characterize the New Economy have affected the shape of aggregate demand in recent years. The effect of these technological opportunities can be seen most directly in the very high rates of investment in business equipment and software. And it is the expectation of substantial payoffs from those investments that has fueled much of the increase in the stock market. The surge in the stock market between 1994 and 1999, in turn, generated enough wealth to affect consumption noticeably. And even though the stock market stumbled in 2000, consumption retained considerable momentum from the buildup of wealth in prior years.

Households

Consumer spending was exceptionally strong in the first quarter of 2000 and then slowed somewhat in the second and third quarters. Even with the slowdown, real consumer expenditures rose 5.3 percent between the third quarter of 1999 and the third quarter of last year, continuing to outpace growth in disposable personal income (Chart 2-3). Purchases of motor vehicles and parts, which surged in the first quarter, fell back later in the year. Even so, through November at least, 2000 was on track to become the best-selling year ever for light motor vehicles. After growing at a very rapid pace in 1998 and 1999, residential investment was lower in the third quarter of 2000

Growth in personal consumption expenditures was particularly strong in 1999-2000, substantially outpacing growth in disposable personal income.

Chart 2-3 Consumption and Disposable Income
Four-quarter percent change



Source: Department of Commerce (Bureau of Economic Analysis).

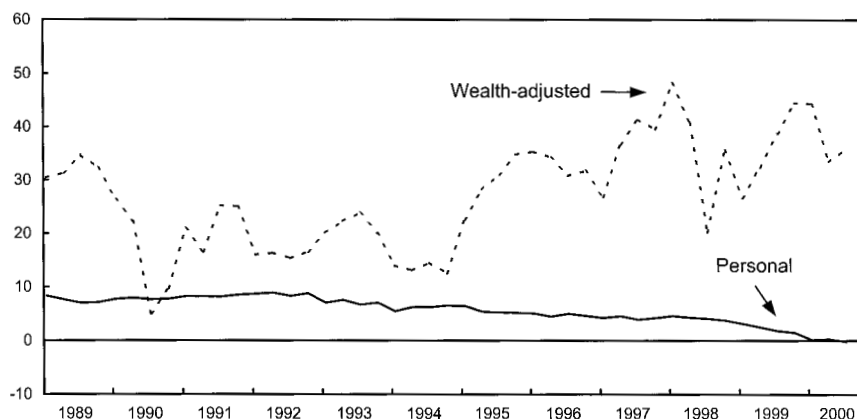
than it had been a year earlier, as higher mortgage interest rates contributed to slowing demand.

The increase in consumption expenditures in 1999 and 2000 is generally explained by the sharp increase in household wealth since 1994. According to the standard life-cycle model of consumer behavior, increases in wealth are not spent all at once; instead, people generally aim to raise their living standards over the remainder of their lives by spending only a portion of that new wealth each year. Historical evidence suggests that each \$1 change in stock market wealth leads to a permanent change in future consumer spending of about 3½ cents per year, with most of the effect phasing in by the third year. The rate of growth in consumption is affected during the transition from one permanent level to another, but persistent changes in the rate of growth of consumption require persistent changes in wealth. The increase in stock market wealth from 1994 into early 2000 raised consumption growth by about 1⅓ percent per year. The lagged effects of these past increases in stock market wealth probably continued to boost consumption in 2000.

Increased consumption due to this wealth effect reduces saving out of current income, and in fact the household saving rate as conventionally measured in the national income and product accounts fell below zero in the third quarter of last year (Chart 2-4). However, this measure of saving does not include capital gains, because these gains do not represent income earned from current production. When income and saving are augmented by changes in net worth—mainly capital gains—that are not related to current

The personal saving rate became negative in 2000, but a saving measure that includes capital gains remained high.

Chart 2-4 Personal and Wealth-Adjusted Saving Rates
Percent of income



Note: The personal saving rate is saving in the national income and product accounts as a percent of disposable personal income. The wealth-adjusted saving rate is the average over four quarters of the change in household net worth as a percent of disposable personal income plus capital gains.

Sources: Department of Commerce (Bureau of Economic Analysis) and Board of Governors of the Federal Reserve System.

saving, the picture is quite different: the resulting “wealth-adjusted saving rate” jumped up in 1995 and has generally stayed high since. To the extent that these changes in household net worth reflect revised views of the future productivity of the underlying assets, the low official personal saving rate is not evidence that households are overextended or living beyond their means. It does mean, however, that households are contributing little or nothing to the pool of national saving available for new investment.

Looking more closely at the financial condition of households, there is little question that, even with some stock market setbacks last year, the overall picture of household net worth remains strong. Within this sector, however, some households are net creditors, while others are net debtors and could be subject to financial stress. The Federal Reserve’s Survey of Consumer Finances shows, for example, that 14.5 percent of families in 1998 (up from 13.6 percent in 1995) owed annual debt payments exceeding 40 percent of their income. Other indicators of the financial condition of households, such as credit card delinquencies and bankruptcies, show less potential stress. Although these indicators suggest that some households could find themselves in trouble if economic conditions weakened sufficiently, the kinds of credit imbalances that could precipitate financial problems for the macroeconomy are not in evidence.

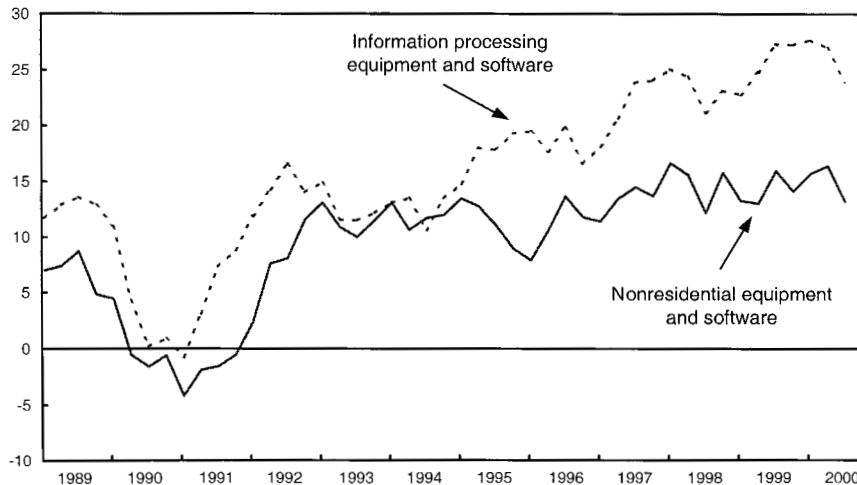
Businesses

Very strong investment in the equipment and software category, and especially in information processing equipment and software, is one of the hallmarks of the New Economy. In 1999 and 2000 growth in investment in information processing equipment and software was roughly 25 percent at an annual rate (Chart 2-5). An important component of this growth appears to reflect replacement of the large but rapidly depreciating stock of this equipment that has been built up in recent years. The primary motivation for this strong pace of investment continued to be rapidly declining prices of computer equipment. Fears of year-2000 (Y2K) problems may have suppressed computer investment in the fourth quarter of 1999. But when these worries passed with the New Year, computer investment rebounded strongly in the first half of 2000. Moreover, the strong stock market gains since 1994 have made such investment easier to finance. Stock market valuations continued to support investment spending in 2000, as the dividend-to-price ratio remained low.

Construction of office buildings was strong in 2000, but industrial construction continued at a pace below rates seen earlier in the decade. With energy prices up sharply, investment in drilling and mining was also strong, accounting for nearly one-third of the growth in total investment in nonresidential structures between the third quarter of 1999 and the third quarter of 2000.

Real investment in equipment and software has been strong since 1993, with an acceleration in information processing equipment and software since 1995.

Chart 2-5 Real Investment in Equipment and Software
Four-quarter percent change



Source: Department of Commerce (Bureau of Economic Analysis).

After declining sharply relative to sales in 1998 and 1999, inventories moved up a bit in late 2000. Nevertheless, the aggregate inventory-to-sales ratio remains very low by historical standards, and an inventory overhang that could threaten the expansion is not in evidence.

Credit conditions tightened for some borrowers over the course of 2000. Arguably, however, credit markets were doing a good job of distinguishing among borrowers according to their credit risk. As the year progressed, lower rated corporate borrowers faced higher interest rates, and banks appeared to have tightened their lending standards. High-quality borrowers did not see the same increase in borrowing costs, and profits in general remained high, suggesting that business investment in general was not subject to a credit crunch. As with households, some businesses would have trouble borrowing or meeting their debt service obligations if economic conditions weakened sufficiently, but the overall financial condition of businesses was sound in 2000, with little or no indication of the kinds of imbalances that would precipitate an economic or financial crisis.

Government Spending and Fiscal Policy

Government expenditures for consumption and investment have grown more slowly than GDP during this expansion, and Federal expenditures have fallen in real terms. In the first three quarters of 2000, Federal Government expenditures fell at a 2.9 percent annual rate. Increases were recorded at the

State and local level, but government in the aggregate made a negligible contribution to growth in GDP.

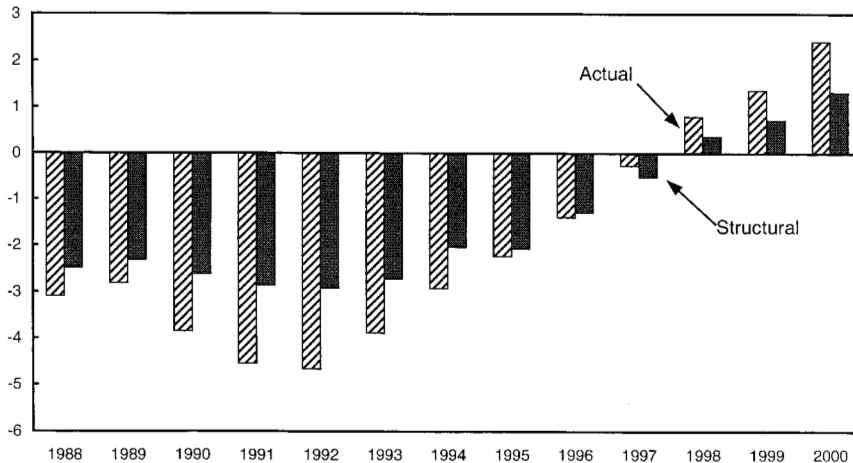
One measure of whether fiscal policy is stimulating or restraining economic activity is the change in the standardized, or structural, budget balance. In contrast to the actual budget balance, the structural balance controls for the effect of cyclical economic activity by estimating what receipts and outlays would be if the economy were operating at potential output. After 1995 the structural deficit shrank, although not as fast as the actual deficit (Chart 2-6), indicating that fiscal policy was restrictive. The structural balance turned positive in 1999 and is estimated to have increased further in 2000 as fiscal restraint has continued. As discussed later in this chapter, the turnaround in the Federal budget balance has been so substantial that, until recently, increases in public saving have more than offset declines in private saving, and national saving has increased as a share of GDP.

International Influences

U.S. exports grew robustly in 2000 as many of our foreign trading partners experienced renewed economic growth after a slump caused by the Asian economic crisis. But imports grew even more rapidly, reflecting strong growth in consumption and investment. Imports of capital equipment accounted for more than one-third of the growth in imports during the first three quarters of the year. As a result, the U.S. current account deficit

Both the actual and the structural budget balances moved sharply from deficit to surplus from 1993 to 2000.

Chart 2-6 Actual and Structural Federal Budget Balances
Percent of GDP



Note: Data are for fiscal years. The structural balance is adjusted for deposit insurance and Desert Storm.
Source: Office of Management and Budget.

continued to widen. And real net exports (exports minus imports) continued to make a negative contribution to aggregate demand. As discussed in Chapter 4, however, the widening of the trade and current account deficits in the past few years most likely is a sign of the strength of the new American economy, not a sign of weakness.

A country runs a current account deficit when its domestic spending exceeds its income earned from production and it borrows abroad to fund that extra spending. Put another way, a current account deficit reflects an excess of domestic investment over domestic saving, with the excess investment funded by foreigners. The wealth effects discussed previously have generated substantial growth in consumption, some of which has been met through imports. Moreover, as discussed in Chapter 4, imports represent a significant share of U.S. investment, including investment in information technology. At the same time, investment in the New Economy of the United States has been attractive to foreigners, and this has supported the dollar. Arguably, the U.S. economy is in a transitory phase in which national saving is being held down by especially low private saving out of current income, and foreign saving is being attracted by the extraordinary investment opportunities in the United States, the clear frontrunner in making New Economy investments.

Monetary Policy and Financial Markets

Monetary and financial market developments in 2000 were not particularly unusual for an economy experiencing a long expansion with a period of extraordinary stock market gains. The stock market took a breather last year, and credit conditions reflected the exercise of monetary restraint by the Federal Reserve.

Equity Markets

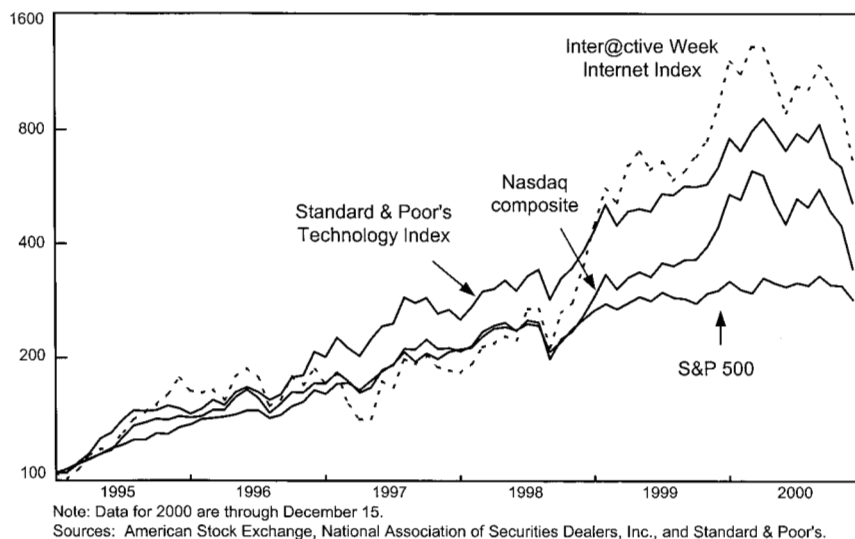
The 1990s saw a remarkable bull market in stocks. The Wilshire 5000 index (the most comprehensive index of U.S. stock prices) quadrupled between the end of 1989 and the end of 1999, with more than three-quarters of the gain coming after 1995. At the end of 1999 the market value of U.S. stocks was over \$17 trillion—more than \$10 trillion higher than at the end of 1995. Indicative of the importance of the New Economy, technology stocks, and particularly Internet stocks, showed spectacular gains in 1998–99. The market capitalization of Internet companies (defined as those in the Wilshire 5000 Internet index, which seeks to include all companies that derive a substantial fraction of their business from the Internet) increased from \$145 billion in December 1997 to \$1.6 trillion in December 1999. Internet stocks alone accounted for about 23 percent of the total increase in stock market wealth over that period.

The sharp increase in stock prices came to a halt in 2000. The Standard & Poor's 500 index of large-company stocks was down 11 percent as of December 15, while the Nasdaq Composite Index, after climbing 22 percent between January and its peak in March, fell sharply and was down 35 percent as of December 15. Total stock market wealth had fallen by 10 percent as of November 30, compared with an average annual increase of around 17¾ percent over the past decade. Reversing their previous pattern of outperforming the overall market, technology and Internet stocks did even worse than stocks generally in 2000 (Chart 2-7). Internet stocks were particularly notable for their roller-coaster ride. Instead of being a major contributor to growth in market capitalization as in 1999, Internet stocks subtracted \$630 billion from the broader market in 2000 (Chart 2-8).

In the absence of irrational investor behavior, stock market prices reflect the discounted present value of future corporate cash flows, where the discount rate includes a risk factor. Thus, rational explanations for the performance of the stock market last year are likely to be found in the factors affecting such a valuation. For example, a rise in interest rates reduces the present value of future cash flows; hence the rise in interest rates since last summer was probably a dampening factor. Increasing expectations that Federal Reserve tightening and other factors would slow the economy could also have reduced expectations of future profits and hence of future cash flows. Disappointing earnings reports may have reduced expectations of future profitability as well. Finally, it is possible that the higher growth

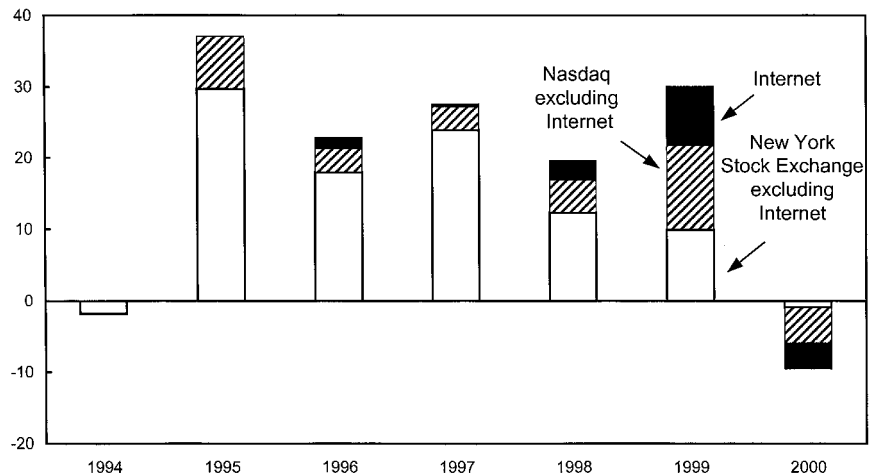
After leading stock market growth in 1998-99, Internet and technology stocks fell in 2000; the broader S&P 500 index was flat.

Chart 2-7 Equity Prices
Index, December 31, 1994 = 100 (ratio scale)



After 2 years of strong contributions to growth in stock market capitalization, Internet stocks and non-Internet Nasdaq stocks suffered declines in 2000.

Chart 2-8 Contributions to Growth in Market Capitalization
Percentage points



Note: Data for 2000 are through November 30.

Sources: Bloomberg LP, National Association of Securities Dealers, Inc., New York Stock Exchange, and Wilshire Associates.

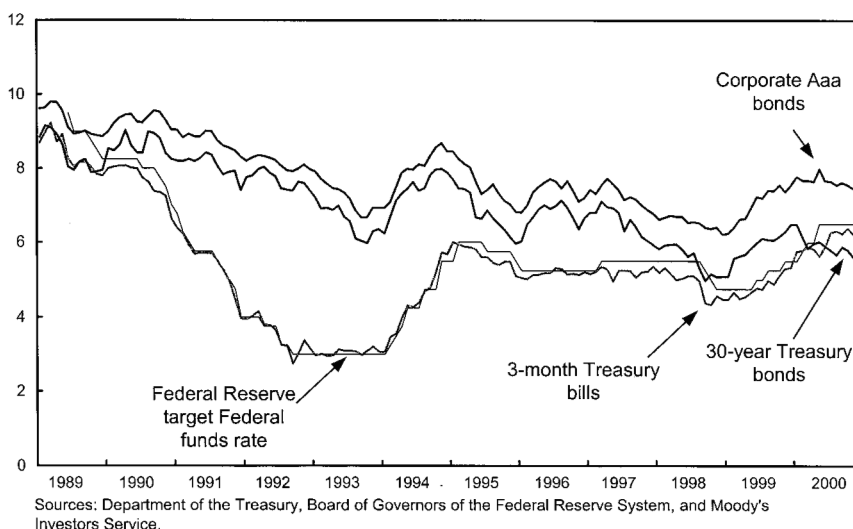
potential that technology companies have enjoyed—and continue to enjoy—has already been priced into the market, as this sector ceased to outperform the rest of the market.

Interest Rates

Between June 1999 and May 2000 the Federal Reserve raised its target for the Federal funds rate (the rate banks charge each other for overnight lending) by 175 basis points, from 4.75 percent to 6.5 percent. (A basis point is 1/100th of a percentage point.) In the second half of 1999, when the Fed began its rate hikes, both Treasury yields and corporate bond yields rose as the Federal funds rate rose. Yields on Treasury and other fixed-income securities of all maturities increased (Chart 2-9). Beginning in early 2000, however, the Treasury yield curve (which plots the yields of Treasury securities of different maturities, from shortest to longest) began to exhibit atypical behavior. Instead of displaying its normal, upward-sloping shape, the yield curve became inverted: yields on longer term securities fell below those on shorter term securities. This development appears to have been determined mostly by supply conditions in the market for Treasury securities, associated with a growing recognition that substantial Federal budget surpluses were likely to emerge, and therefore that the stock of Treasury securities might decline. This perception was reinforced in January 2000, when the Treasury detailed plans for buying back Federal debt.

Yields on long-term Treasury bonds fell relative to those on private bonds and other Treasury securities in 2000.

Chart 2-9 Selected Interest Rates and Yields
Percent



The decline in intermediate- and long-term Treasury yields was not mirrored in the market for private sector securities, where yields on longer term corporate bonds did not retreat much from their late-1999 levels. The anomalous behavior of Treasury yields raised questions about their role as a benchmark for evaluating interest rates (Box 2-1). Although yield curves for corporate bonds and other privately issued instruments did not become inverted, they were flatter than usual in the first half of the year, reflecting the Fed tightening and the perceived likelihood that economic activity would slow to a sustainable, noninflationary pace. As discussed earlier, borrowing costs increased for the riskiest borrowers, but yields on higher quality corporate debt remained relatively stable.

Labor Markets and Inflation

For the most part, 2000 marked another year in which the unemployment rate remained very low without generating excessive inflation or inflationary expectations. The unemployment rate averaged 4.0 percent in the first 11 months of 2000. Sharp increases in oil prices beginning in early 1999 did push up the overall consumer price index (CPI) by 3.4 percent in the 12 months ending in November. Until very recently, however, the rise in oil prices did not feed into most other prices, and core inflation (which does not include changes in oil prices) rose only 2.6 percent over the same period. On the other hand, import prices are no longer as much of a restraint on overall inflation as they were for several years in the late 1990s. In contrast to earlier

Box 2-1. Are Treasuries Being Swapped out of Their Benchmark Role?

U.S. Treasury securities provide investors with a financial vehicle that is both free of default risk and highly liquid (that is, easily turned into cash). These properties have made Treasuries a widely used benchmark for determining and assessing interest rates on other assets that are less liquid or less safe. Historically, for example, new corporate debt has typically been marketed in terms of its yield relative to that of a benchmark asset, such as Treasury securities, rather than at a price in dollars or a yield in percent, and the performance of corporate bonds is often assessed relative to that of Treasuries. Thus changes in the pricing of the credit risk associated with other financial instruments (the spread between their yield and that of Treasuries) can be separated from changes in interest rates generally (as represented by changes in the yield on Treasuries). The Treasury yield curve is also a useful tool in economic forecasting. For example, a narrowing of the spread between short-term and long-term rates is often taken as a sign that economic activity is expected to moderate.

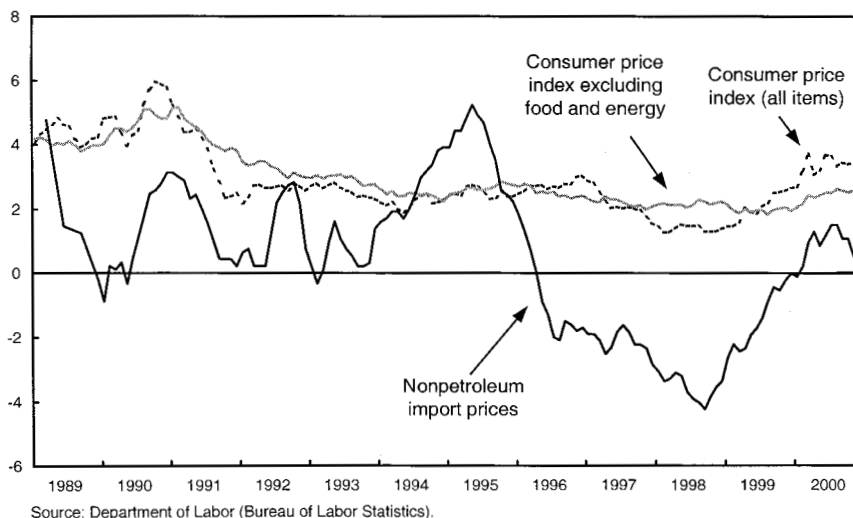
Many observers believe that yields on long-term Treasuries were driven down in 2000 by the growing consensus that the supply of these securities would be markedly reduced in the future. Interest rate swaps began to receive more attention as an alternative benchmark. A swap is the exchange of a stream of variable-interest-rate payments, usually tied to the London interbank offer rate (LIBOR), for a stream of fixed-interest-rate payments. Swaps have durations ranging from a few months to many years. For example, one party to a swap may expect to receive a variable stream of payments tied to LIBOR (and an implicit principal balance) over the next 5 years but would prefer the certainty of fixed payments. The second party agrees to pay a fixed periodic amount in exchange for that variable stream of payments. The swap rate is expressed as a fixed rate that market participants are willing to exchange for a floating rate. Underlying implicit balances are not exchanged.

The swaps market is sufficiently deep and liquid, and trading takes place across a sufficiently broad range of maturities, to provide an alternative yield curve to that of Treasuries and an alternative benchmark for assessing other interest rates. The increased prominence of the swaps market illustrates how financial markets have begun to adapt to the anticipated paydown of marketable Federal debt associated with the improved U.S. fiscal situation.

years when import prices (including oil prices prior to 1999) were falling, nonpetroleum import prices are now on a rising trend, although the rates of increase have so far been modest (Chart 2-10).

Underlying inflation remained modest in 2000 despite rising energy prices and less restraint from import prices.

Chart 2-10 Consumer and Import Prices
12-month percent change



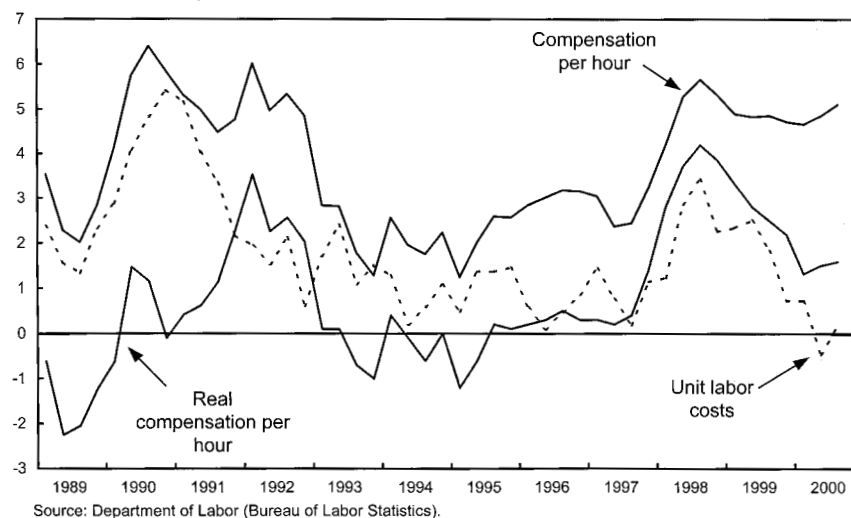
Wages and compensation registered solid increases in nominal terms in 2000. From the standpoint of businesses, however, these wage increases were more than offset by strong productivity gains, with the result that unit labor costs (compensation per unit of output) did not put upward pressure on product prices (Chart 2-11). From the standpoint of workers, increases in the CPI associated with higher energy prices have meant smaller increases in real wages and compensation than in some recent years.

The Economic Outlook

Although economic performance remained strong in 2000, the resilience of the new macroeconomy of fast productivity growth and a very strong labor market could be tested in the coming year or so. Chapter 3 provides ample reason to be optimistic about future productivity increases, but it remains uncertain how much of the recent increase in productivity growth will be sustained in the long run. Absorbing the inflationary pressures from the recent rise in oil prices, as well as diminishing restraint from non-oil import prices, will be easier if productivity growth continues strong. On the demand side, the very low private saving rates of recent years might not persist, raising the question of whether the transition from a stock market-fueled consumption boom to a more sustainable consumption pace will be

Annual growth in nominal compensation per hour exceeded 4 percent in 1999-2000, but growth in real compensation per hour and unit labor costs slowed.

Chart 2-11 Nonfarm Business Compensation per Hour and Unit Labor Costs
Four-quarter percent change



accomplished smoothly. Toward the year's end, stock market declines and higher interest rates charged to high-risk corporate borrowers added a note of uncertainty to financial markets. Fortunately, the economy remains remarkably free of the kinds of imbalances typically associated with the ends of expansions. Core inflation remains low, inventories in most industries remain lean in relation to sales, and the outlook for the economy remains good.

Growth of GDP is projected to moderate to 3.2 percent during 2001 and to remain at or near this growth rate through 2007 (Table 2-2). These growth rates are below estimates of the trend growth in aggregate supply, and as a result, the unemployment rate is projected to edge up gradually to 5.1 percent, the middle of the range of unemployment compatible in the long run with stable inflation. The growth of aggregate supply is projected to edge down over the 11-year budget window, reflecting a return to more traditional rates of productivity growth, a slower rate of population growth, and the anticipated retirement of the first wave of the baby-boom generation.

The Near-Term Outlook

The prospects for another year of solid growth rest on continued growth of aggregate supply, stable core inflation, and the sound application of fiscal and monetary policy. When inflation is used as an indicator, economic activity

TABLE 2-2.—*Administration Forecast*¹

Year	Nominal GDP	Real GDP (chain-type)	GDP price index (chain-type)	Consumer price index (CPI-U)	Unemployment rate (percent)	Interest rate, 91-day Treasury bills (percent)	Interest rate, 10-year Treasury notes (percent)	Nonfarm payroll employment (millions)
	Percent change, fourth quarter to fourth quarter				Level, calendar year			
1999 (actual)	6.5	5.0	1.6	2.6	4.2	4.7	5.6	128.8
2000	6.7	4.1	2.4	3.4	4.0	5.9	6.1	131.5
2001	5.3	3.2	2.0	2.5	4.1	6.0	5.8	133.4
2002	5.4	3.2	2.1	2.6	4.4	5.7	5.8	135.0
2003	5.4	3.2	2.1	2.7	4.6	5.4	5.8	136.5
2004	5.4	3.2	2.1	2.7	4.7	5.3	5.8	138.2
2005	5.4	3.2	2.1	2.7	4.8	5.3	5.8	139.8
2006	5.3	3.1	2.1	2.7	4.9	5.3	5.8	141.4
2007	5.2	3.0	2.1	2.7	5.0	5.3	5.8	143.0
2008	5.1	2.9	2.1	2.7	5.1	5.3	5.8	144.6
2009	5.1	2.9	2.1	2.7	5.1	5.3	5.8	146.2
2010	5.1	2.9	2.1	2.7	5.1	5.3	5.8	147.8
2011	5.1	2.9	2.1	2.7	5.1	5.3	5.8	149.4

¹ Based on data available as of November 17, 2000.

Sources: Council of Economic Advisers, Department of Commerce (Bureau of Economic Analysis), Department of Labor (Bureau of Labor Statistics), Department of the Treasury, and Office of Management and Budget.

now appears to be in the neighborhood of its potential, as measures of core inflation have risen slightly or not at all.

Potential output is expected to increase at a solid 3.8 percent annual rate in 2001 and 2002, about the same as its growth rate from 1995 to 2000. This estimate is based on the prospect that a large and rapidly growing level of investment spending will continue to support rapid growth of capital services per hour worked. At these levels of investment spending, structural productivity is expected to increase at about a 2.8 percent annual rate. The labor force, another component of aggregate supply, is expected to grow at about a 1 percent annual rate.

The projected real GDP growth rate of 3.2 percent per year during 2001 and 2002 is somewhat slower than the rise in potential output, and as a consequence the unemployment rate is projected to edge up 0.3 percentage point per year during those years. At these growth rates, any tightness in labor and product markets will unwind.

Consumption, which constitutes two-thirds of GDP, is expected to be the major factor in the deceleration of GDP, as the stimulus to consumption growth from the 1995–99 bull market in stocks recedes into the past. Real private nonresidential investment, which has grown more than twice as fast

as real GDP during the past 2 years, is projected to continue to outpace activity as a whole. Even so, its growth is expected to moderate. The fall in the relative price of investment goods, a cause of the recent investment strength, is expected to persist.

Exports have rebounded strongly since mid-1999, reflecting the rebound in activity from the depressed levels of the Asian economic crisis. Looking ahead, activity in the industrial countries as a group—which has grown rapidly in the past year—is projected to slow slightly in 2001. As a result, exports are projected to grow at a slower, but still strong, rate in 2001. As fast as exports have grown, imports have grown even faster, and so both net exports and the current account deficit have deteriorated. During the next few years, import growth is expected to come down with the projected deceleration of U.S. GDP. Nevertheless, imports generally grow roughly two times faster than GDP, and as a result, the current account deficit is projected to widen further before it narrows.

Productivity and the NAIRU

The level of unemployment consistent with stable inflation remains temporarily depressed by the still-surprising increase in productivity growth. Permanent declines in this unemployment rate may have been caused by, among other things, the development of the temporary help industry and the Internet job market. These factors were discussed in more detail in last year's *Report*. The acceleration of productivity after 1995 appears to have initiated a process that allows the unemployment rate to fall lower temporarily, with less consequence for inflation, than would have been possible otherwise. The rate of growth of nominal hourly compensation has increased during the past 4 years, but these nominal increases have not resulted in much of an increase in price inflation. Businesses have been able to grant these larger pay increases without higher inflation, partly because increases in unit labor costs have remained stable, as rising productivity growth offset the rising compensation gains.

The new, higher trend growth of productivity since 1995 has temporarily lowered the NAIRU (the nonaccelerating-inflation rate of unemployment, that is, the unemployment rate consistent with stable inflation), because it can take many years for firms and workers to recognize this favorable development and incorporate it into their wage setting. In the meantime the productivity surprise can stabilize inflation of unit labor costs and prices even at unemployment rates below the previous NAIRU. A 1-percentage-point surprise in trend productivity growth is estimated to lower the NAIRU by $1\frac{1}{4}$ percentage points. The effect of the increase in productivity growth in holding down the NAIRU cannot last indefinitely, however. If productivity growth is maintained at the current high level, it will cease to be unexpected,

demands for real wage increases will eventually rise to match productivity growth, and the short-term NAIRU will gravitate back to its long-term level.

Some evidence points to an upward drift of real wage expectations—although the jury is still out. Private sector wages, as measured by the employment cost index, have increased 1½ percentage points faster than expected inflation over the past four quarters (as measured by the University of Michigan Survey of Consumers). This is the largest gain in expected real wages in more than 15 years. Even so, this growth in expected real wages remains well below recent productivity increases. Nor has real hourly compensation (deflated by the price of output) grown as fast as productivity. As a result, the labor share of GDP has continued to erode and is now about 1 percentage point below its 40-year average.

As the slow process of adjustment by wage setters to a higher level of productivity growth proceeds, the NAIRU—currently estimated to be in a range centered around 4¼ percent—is expected to edge up gradually to 5.1 percent by 2007. This upward drift closely mirrors the projected path for the unemployment rate. As a result, the Administration expects price inflation to flatten out at levels barely above current rates: 2.1 percent for the GDP price index and 2.7 percent for the CPI.

Inflation Measurement and the Federal Surplus

The wedge between the CPI and the GDP measures of inflation has an important effect on Federal budget projections. A larger wedge reduces the Federal budget surplus because cost-of-living adjustments for Social Security and other indexed programs increase with the CPI, whereas Federal revenue increases roughly in line with the slower growing GDP price index. The effect is reinforced by the use of the CPI to index income tax brackets and other features of the tax code. Of the two indexes, the CPI tends to increase faster because it measures the price of a fixed market basket. In contrast, the GDP price index increases less rapidly than the CPI, because it reflects choices of economic agents to shift their purchases away from items with increasing relative prices and toward items with decreasing relative prices. In addition, the GDP price index includes investment goods, particularly computers, whose relative prices have been falling rapidly. Computers, in particular, receive a much larger weight in the GDP price index (1.2 percent) than in the CPI (0.08 percent in November 2000).

Over the past 6 years, the version of the CPI designed to be consistent with current methods (the CPI-U-RS) has increased 0.6 percentage point per year faster than the GDP price index. The projected wedge is in line with this 6-year average, and this is reflected in the Administration's inflation projections.

The Stock Market, Saving, and Consumption Prospects

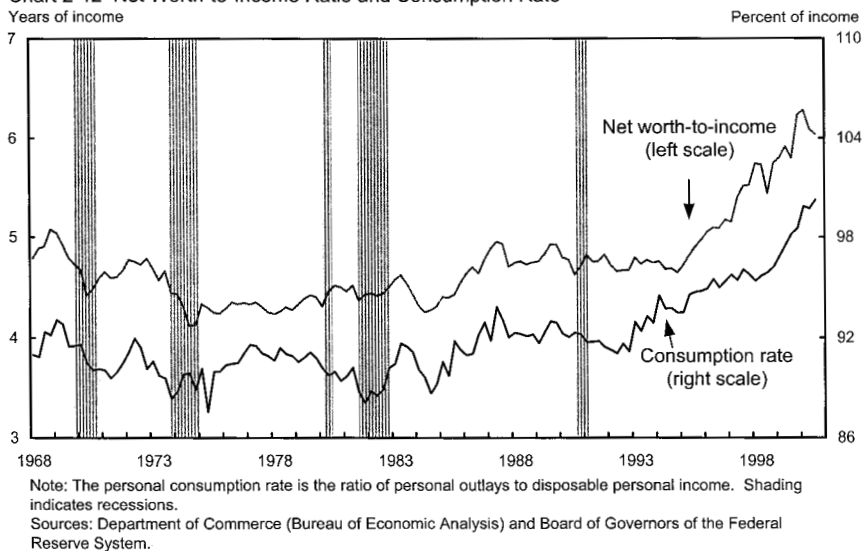
Consumption has been an engine of demand growth during this expansion, growing faster than income in 7 of the past 8 years. By the third quarter of 2000, personal outlays exceeded disposable personal income, and the personal saving rate dropped to -0.2 percent. The rise in the ratio of net worth to income—a consequence of the 5-year surge in stock prices from 1995 to 1999—accounts for the strength of consumption over this period (Chart 2-12). The increase in the consumption-to-income ratio over the past 5 years is roughly consistent with the rule of thumb that attributes an eventual $3\frac{1}{2}$ -cent gain in consumption from every dollar increase in stock market wealth. In the near term, current stock market values support the current level of the consumption rate.

The growth rate of consumption, however, is another matter. The stock market declined in the second half of 2000, foreshadowing a period when consumption growth is unlikely to exceed the growth of income. As a result, it appears probable that consumption will decelerate in the year ahead. Because consumption accounts for about two-thirds of GDP, this deceleration, if it comes to pass, will have a restraining effect on aggregate demand.

Over the long term (the next 5 years or so) the saving rate is likely to increase from its current level. But predicting whether the saving rate will rise from a pickup of income or from a slowdown of consumption depends on

After growing rapidly for 5 years, the ratio of net worth to income declined in 2000, suggesting that growth in consumption is likely to slow.

Chart 2-12 Net Worth-to-Income Ratio and Consumption Rate



the interpretation of the increase in the stock market from 1995 to 1999. Today's stock valuations do not bear the same relation to apparent dividend prospects as in the past. Through about 1996, a stable rule of thumb tied the value of the stock market to a proxy for the apparent present value of dividends. But this relationship broke down after 1996 as the stock market soared ahead of this valuation model.

Assuming that the current value of the stock market is appropriate, either dividend prospects have greatly improved or the so-called equity risk premium (discussed below) has fallen. These two alternative explanations for the rise in stock market values have different implications for the sustainability of consumption growth. If dividend prospects have improved, the low saving rate means that consumers are spending some of their future dividend income today. In this scenario, consumption need not slow; rather, the saving rate will rise if and when dividend income outpaces other components of income.

A substantial but still controversial literature suggests that stocks have been undervalued for most of the past century. As discussed in last year's *Report*, the additional riskiness of stock returns over that of bond returns does not appear to be enough to justify the higher returns on stocks (the equity risk premium), unless investors are extraordinarily risk averse or their investment horizon is very short. According to this line of argument, it follows that the lower initial price (and higher expected return) traditionally demanded by investors has been excessive. As investors have come to regard the equity risk premium as excessive, they have bid up stock prices to current levels.

But if stock prices have risen because of erosion of the equity risk premium, then investors are paying more for the rights to a given stream of dividends—that future stream has not increased. And without any change in the stream of dividends, the path of future consumption cannot differ much from the one that the consumer had planned before the decline in the equity risk premium. Certainly those investors who have received large capital gains are richer and can spend more, but this effect should be partly offset by those who wish to become stockholders and who must now save more to purchase a given quantity of stock.

With the actual prospects for dividends and profits uncertain, one cannot know today which of these explanations for the 1995–99 stock market rise is correct. But some may incorrectly perceive that the rise in stock prices foreshadows higher dividends when it only reflects a decline in the equity risk premium. If the increased stream of dividends fails to materialize, consumption will probably slow relative to income. In any case, the present value of future consumption must equal the present value of future income. It follows that either dividends must grow much faster than other forms of income, or consumption must grow more slowly than nondividend income, or some combination of these two. In either case, the saving rate would be expected to increase.

The Long-Term Projection

Growth of productivity during the past 5 years has been impressive—so impressive that it seems reasonable to wonder whether it can be sustained. As discussed in Chapter 1, productivity accelerated by 1.6 percentage points from 1973–95 to 1995–2000, about 0.4 percentage point of which can be explained by capital deepening and the direct contribution of productivity growth in the computer sector. Although business cycle dynamics often underlie much of the year-to-year variation in productivity growth, this factor appears to have played only a minor role in the post-1995 acceleration. The growth of output from 1991 to 1994 put underutilized labor back to work, and so the traditional cyclical rebound from the 1990–91 recession had largely played itself out by 1995. The Council of Economic Advisers estimates that the level of productivity had risen about 2 percent above its trend by 1995, and that it edged up only slightly further above its trend from 1995 through 2000.

Another 1.2 percentage points of the productivity acceleration can be attributed to faster growth in total factor productivity, the variation in aggregate output that is not explained by changes in inputs. This acceleration represents improvements in technology and means of organization, and Chapter 3 describes evidence that supports this view. However, the evidence is not conclusive, and forecasters are left wondering whether some of the acceleration represents one-time improvements that have shifted productivity to a higher level rather than a permanently higher rate of growth.

Capital deepening is projected to play just as strong a role in the near future as in the recent past. However, it is not prudent to expect the same contribution from total factor productivity as in the recent past, and therefore the Administration projects that structural productivity will grow at about a 2.8 percent annual rate during the next 2 years. Actual productivity may grow somewhat less rapidly, as the economy slows. With the labor force and the other components of aggregate supply expected to grow about 1 percent per year, potential output is projected to grow about 3.8 percent at an annual rate.

Structural productivity is projected to slow a bit further in the later years of the 10-year budget window. It is expected to grow at a 2.3 percent annual rate from 2003 to 2007, and then to trail off to 2.1 percent from 2007 to 2011. These slower growth rates are more in keeping with the pace of productivity growth over the past two decades or so.

In addition to productivity, the factors on the supply side whose growth rates affect GDP growth include population, the labor force participation rate, the employment rate, and the workweek, as shown in Table 2-3. In line with the latest projection from the Bureau of the Census, the working-age population is projected to grow at a 1.1 percent annual rate through 2008.

TABLE 2-3.—*Accounting for Growth in Real GDP, 1960-2008*
[Average annual percent change]

Item	1960 Q2 to 1973 Q4	1973 Q4 to 1990 Q3	1990 Q3 to 2000 Q3	2000 Q3 to 2008 Q4
1) Civilian noninstitutional population aged 16 and over	1.8	1.5	1.0	1.1
2) PLUS: Civilian labor force participation rate ¹ .....	.2	.5	.0	.1
3) EQUALS: Civilian labor force ¹	2.0	2.0	1.0	1.1
4) PLUS: Civilian employment rate ¹ .....	.0	-.1	.2	-.1
5) EQUALS: Civilian employment ¹	2.0	1.9	1.2	1.0
6) PLUS: Nonfarm business employment as a share of civilian employment ^{1 2} .....	.1	.1	.4	.3
7) EQUALS: Nonfarm business employment	2.1	2.0	1.7	1.2
8) PLUS: Average weekly hours (nonfarm business)	-.5	-.4	.0	.0
9) EQUALS: Hours of all persons (nonfarm business)	1.6	1.7	1.7	1.2
10) PLUS: Output per hour (productivity, nonfarm business)	2.9	1.4	2.2	³ 2.5
11) EQUALS: Nonfarm business output	4.6	3.1	3.9	³ 4.2
12) PLUS: Ratio of real GDP to nonfarm business output ⁴ ..	-.3	-.2	-.5	³ -.6
13) EQUALS: Real GDP	4.2	2.9	3.4	⁵ 3.1

¹ Adjusted for 1994 revision of the Current Population Survey.

² Line 6 translates the civilian employment growth rate into the nonfarm business employment growth rate.

³ Income-side definition.

⁴ Line 12 translates nonfarm business output back into output for all sectors (GDP), which includes the output of farms and general government.

⁵ GDP growth is projected to fall below its underlying trend for this period (about 3.4 percent) as the employment rate is projected to fall 0.13 percent per year over this period.

Note.—The periods 1960 Q2, 1973 Q4, and 1990 Q3 are business cycle peaks.

Detail may not add to totals because of rounding.

Sources: Council of Economic Advisers, Department of Commerce (Bureau of Economic Analysis), and Department of Labor (Bureau of Labor Statistics).

The labor force participation rate is expected to inch up by less than 0.1 percent per year. The average workweek is projected to remain flat over the entire projection period. In contrast, the employment rate is projected to decline roughly 0.1 percent per year as the unemployment rate edges up to 5.1 percent—the middle of the range judged consistent with long-run inflation stability. From 2008 forward, growth in the working-age population is projected to slow a bit, and the labor force participation rate will begin to fall as the first cohort of the baby boom, those born in 1946, reach the early retirement age of 62. Together, the supply-side factors imply potential real GDP growth of 2.9 percent by the end of the decade.

Long-term interest rates are expected to remain flat over the entire 11-year projection span at a yield of 5.8 percent on 10-year Treasury notes. The 91-day Treasury bill rate is currently above the yield on 10-year notes—an unusual situation that tends to occur when the market expects the economy to slow. Another reason for this inversion of the yield curve is that the ongoing reduction in Federal debt has led investors to expect a diminishing supply of Treasury securities. (See the earlier discussion of the yield curve.)

Consistent with the projected slowdown in real activity, the interest rate on 91-day Treasury bills (which was 6.2 percent at the time the Administration projection was finalized) is projected to decline to 5.3 percent during the next several years. Real long-term interest rates, calculated by subtracting the Administration's expected rate of inflation (2.7 percent as measured by the CPI) from projected nominal rates, are projected to be similar to their historical average.

On the income side, the Administration's projection is based on the long-run stability of the labor share of GDP. At present, the labor share of GDP is the lowest it has been in more than 30 years, and the Administration projects this share to rise, returning partway toward its long-run average. Wages as a share of total compensation are expected to erode, as other labor income, especially employer-provided medical insurance, is expected to grow faster than wages. With the labor share of GDP rising, the capital share is expected to edge down. Within the capital share, a rise in the depreciation share (a consequence of a high-investment economy) is projected to come at the expense of the profit share. Profits before tax, which were 9.4 percent of GDP in the third quarter of 2000, are projected to fall to 7.1 percent by 2011.

The Administration does not believe that an annual growth rate of just over 3 percent is the best the economy can do. Rather, it is hoped that the policies that this Administration has in place will generate even better results than in the projection. For the purpose of prudent budget planning, however, this projection reflects a balance between upside and downside risks.

As of November 2000 the current expansion, having lasted 116 months, was the longest on record, and there is no apparent reason why it cannot continue. Expansions do not die of old age. The current situation of low inflation, high productivity growth, and lean inventories reveals no sign of an end to the expansion, although growth is expected to moderate. The likely prognosis remains similar to that of last year: sustained job creation and continued noninflationary growth.

The Fiscal Terrain in the New Economy

The turnaround in the finances of the Federal Government since 1993 has completely changed the fiscal outlook for decades to come. Whereas just a few years ago the Nation faced deficits as far as the eye could see, the prospect now—if appropriate budget discipline is maintained—is for an extended period of surpluses that would wipe out the entire outstanding public Federal debt. Instead of being a drain on the saving available to finance investment, the Federal Government is acting as an additional source of national saving. Indeed, until very recently the annual rise in public (Federal plus State and local government) saving has more than offset the

annual decline in private saving. A virtuous cycle has been created in which fiscal discipline has promoted strong economic growth, and that strong growth has boosted the surplus.

Challenges lie ahead, however, and it will be important to preserve the fiscal discipline that was so hard won. In particular, the aging of the population will begin to put downward pressure on the surplus just a few years from now, as the number of Social Security and Medicare beneficiaries rises relative to the number of workers paying into these systems. Imprudent, irreversible decisions to dissipate the surplus now would leave little time to recover before the first members of the baby-boom generation begin to retire. Prudent decisions today about what to do with the surpluses currently projected will not only help sustain the current performance of the economy but also address the fiscal policy challenges posed by population aging. Fiscal responsibility requires restraint in cutting taxes and in launching new spending programs, so that the public debt will continue to fall. It also calls for flexibility in our policy priorities, as the composition and hence the needs of our population change.

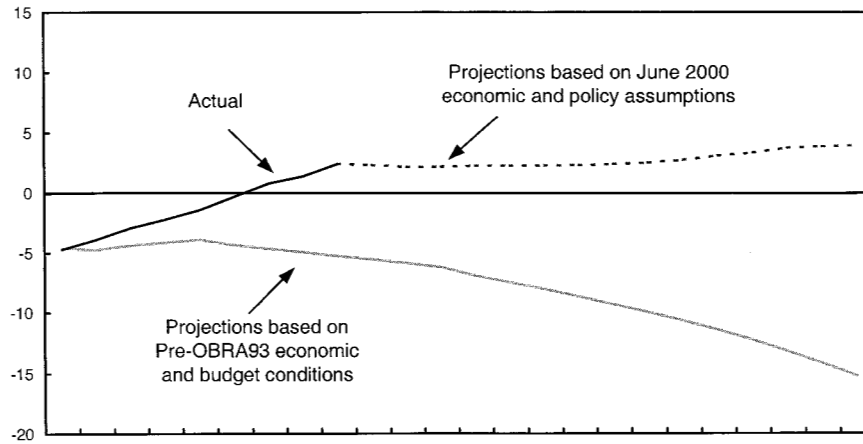
Strong Public Saving: The Payoff from Deficit Reduction

Changes in Federal policy produced large budget deficits in the 1980s, and despite deficit reduction measures taken in the Omnibus Budget and Reconciliation Act of 1990, the country still faced a bleak budget outlook in 1993. But a succession of subsequent actions helped to turn this situation around. The Omnibus Budget and Reconciliation Act of 1993 (OBRA93) reduced the deficit through progressive changes in the income tax structure and effective constraints on spending. Welfare reform legislation changed the Nation's welfare programs in ways that encouraged work and hence reduced government spending needs. The Balanced Budget Act of 1997 dramatically reduced real growth in Medicare expenses through restraint on provider prices and payment systems. The difference between the pre-OBRA93 deficit path and the current situation is stunning. Where Federal deficits were once projected to grow from 4.6 percent of GDP in 1992 to double-digit percentages by 2009, the current outlook is for a long string of surpluses in excess of 2 percent of GDP (Chart 2-13). The national debt, which had reached almost half of GDP in 1992 and was projected to surpass GDP by 2009, has instead begun to decline and, under June 2000 projections, will be eliminated before the middle of the next decade (Chart 2-14).

One very important consequence of this turnaround has been an increase in national saving. The large Federal budget deficits in the 1980s and early 1990s represented public dissaving (that is, negative saving) and thus were a drain on the pool of national saving (the sum of public and private saving)

The budget outlook is now for continued surpluses, not widening deficits, assuming prudent policies are followed.

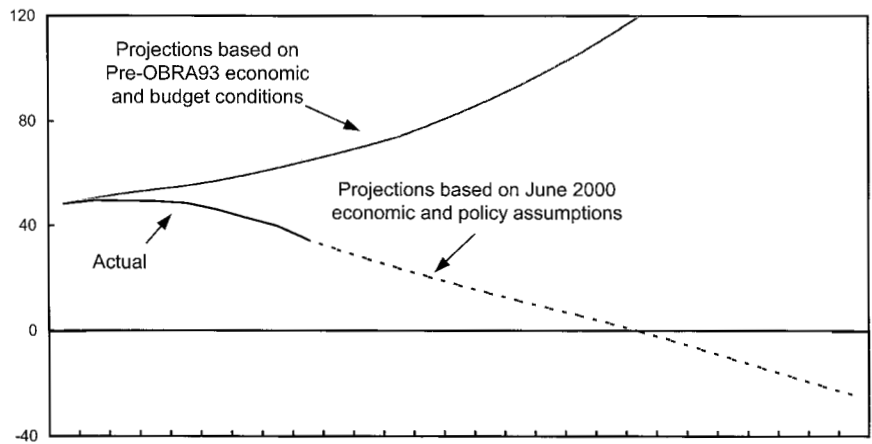
Chart 2-13 Actual and Projected Federal Budget Balances
Percent of GDP



Note: Data are for fiscal years. Projections are based on policy and economic assumptions from the June 2000 Mid-Session Review updated for actual economic performance through the third quarter of 2000.
Source: Office of Management and Budget.

Instead of soaring as projected in 1993, Federal debt held by the public is now on course to be eliminated around the beginning of the next decade.

Chart 2-14 Actual and Projected Debt Held by the Public
Percent of GDP



Note: Data are for fiscal years. Projections are based on policy and economic assumptions from the June 2000 Mid-Session Review updated for actual economic performance through the third quarter of 2000.
Source: Office of Management and Budget.

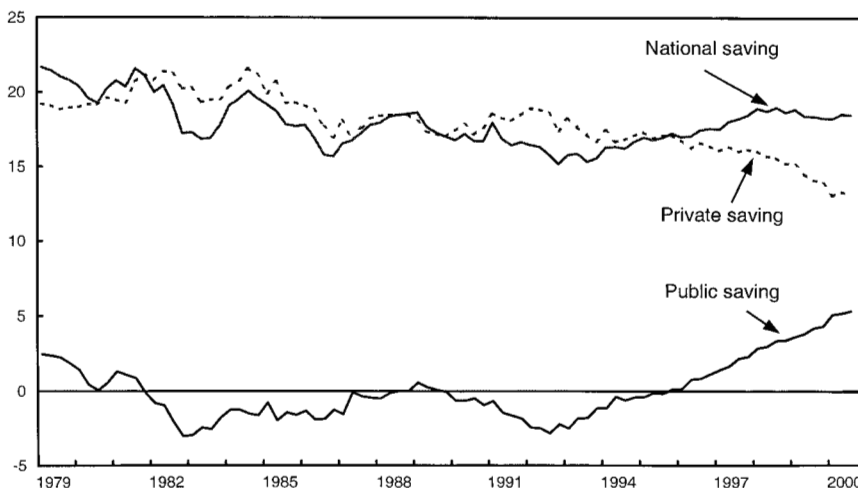
available for investment. The improvement in the Federal budget balance since 1993 has turned the public sector into a net saver. National saving rose as a share of GDP in the 1990s (Chart 2-15). As discussed earlier, private saving has been particularly low recently, and this has restrained national saving. Thus, without the improvement in the Federal budget balance since 1993, national saving would have been lower than it has been, interest rates would have been higher, and investment would have been constrained.

In the 1980s the Federal Reserve sought to keep the economy stable in the face of the fiscal stimulus from large Federal budget deficits, and the result was to push interest rates up. Although fiscal stimulus can be helpful in propelling an economy out of a recession, it is a source of inflationary pressure when the economy is close to full employment. Moreover, a mix of loose fiscal policy and tight monetary policy produces high interest rates, which discourage investment relative to current consumption. This is what happened in the 1980s. In the 1990s, by contrast, an improved Federal budget outlook and fiscal restraint allowed the Fed to pursue an accommodative monetary policy—one that not only promoted economic expansion but also was more conducive to keeping interest rates down and stimulating investment.

Lower interest rates and a declining national debt have important direct consequences for the budget. Federal interest outlays have already fallen from their 1991 high of 3.3 percent of GDP (or nearly 15 percent of total Federal outlays) to less than 2½ percent of GDP most recently (12 percent of

The turnaround in the Federal budget balance since 1993 has raised national saving despite a decline in private saving.

Chart 2-15 Public, Private, and National Saving
Percent of GDP



Source: Department of Commerce (Bureau of Economic Analysis).

outlays), and they are projected to fall still further. The cumulative savings in interest payments on the national debt since 1993 amount to over \$330 billion, compared with the pre-OBRA93 baseline. Lower interest rates have also benefited household borrowers. In mid-2000 each percentage point added to interest rates would have added about \$860 per year to payments on a \$100,000, 30-year mortgage; \$70 per year to payments on a \$10,000, 4-year car loan; and \$140 per year to payments on a \$20,000, 10-year student loan. A rough estimate is that interest rates would be 2½ to 3 percentage points higher if pre-OBRA93 economic and budget conditions had prevailed. Under that scenario Federal debt held by the public would be roughly 1½ times as large as GDP by the middle of the next decade, rather than essentially eliminated as under current projections.

What Caused the Surpluses?

The changes in fiscal policy that began in 1993 played an important role in bringing down the budget deficit. In addition to those already mentioned, these changes included budget enforcement rules that Congress imposed on itself requiring that tax cuts or increased spending in one area be offset by deficit-reducing measures elsewhere in the budget. Finally, changes in the economy generated large increases in income that caused Federal tax revenue, particularly individual income tax receipts, to rise faster than GDP despite no further increase in statutory tax rates.

Controlling Expenditure

Spending discipline and a strong economy have combined to push Federal budget outlays to their lowest level as a share of GDP since 1974. Total outlays declined from 22.2 percent of GDP in fiscal 1992 to 18.2 percent in the most recent fiscal year. Only 1 percentage point of this decline represents a retracing of the increase in spending between 1989 and 1992 associated with the 1990–91 recession (Table 2-4). The changes in net interest outlays already mentioned accounted for 0.9 percentage point of the 4.0-percentage-point reduction from 1992 to 2000. Declines in discretionary outlays for national defense accounted for another 1.9 percentage points.

Discretionary outlays are outlays for defense and nondefense programs subject to annual appropriations by the Congress; they account for about a third of total Federal spending. Discretionary spending has been subject to dollar caps since 1990, and these caps were generally effective over the 1990s in limiting the growth of outlays. The rest of the budget besides interest and discretionary spending consists of mandatory outlays for programs such as Social Security, Medicare, and food stamps. Spending on these programs generally depends on the number of beneficiaries and the benefit amounts to which they are entitled by law. Budget enforcement provisions did not put

TABLE 2-4.— *Components of Federal Budget Outlays*
[Percent of GDP; fiscal years]

Category	1989	1992	2000	Change ¹	
				1989 to 1992	1992 to 2000
Total outlays	21.2	22.2	18.2	1.0	-4.0
Discretionary outlays	9.0	8.6	6.3	-.4	-2.3
National defense	5.6	4.9	3.0	-.7	-1.9
Nondefense.....	3.4	3.7	3.3	.3	-.4
Mandatory outlays	9.0	10.4	9.7	1.4	-.7
Social Security	4.3	4.6	4.1	.3	-.5
Means-tested entitlements.....	1.6	2.3	(²)	.7	(²)
Other.....	4.0	4.1	(²)	.1	(²)
Undistributed offsetting receipts.....	-.8	-.6	(²)	.2	(²)
Net interest.....	3.1	3.2	2.3	.1	-.9

¹ Percentage points.

² Not available.

Note.—Detail may not add to totals because of rounding.

Sources: Office of Management and Budget and Council of Economic Advisers.

specific dollar limits on spending for mandatory programs but did require that any legislation that would increase mandatory spending be offset by an equivalent amount of deficit reduction elsewhere in the budget.

Some Federal Government expenditures, such as unemployment compensation, are sensitive to the business cycle, so that overall spending might be expected to fall as the economy booms. In general, however, the cyclical component of spending is much smaller than that of revenue, which is discussed below. In the past, spending for welfare was also sensitive to the business cycle, but the 1996 welfare reform legislation devolved control of program spending to the States and transformed this component of Federal spending into fixed block grants. Thus any cyclical fluctuations in spending on these programs are now more likely to occur at the State and the local levels than at the Federal level. The combination of low inflation and low unemployment has been especially helpful in keeping government spending down during this economic expansion, because both keep down the levels of expenditure from transfer programs whose benefits are indexed to inflation. Changes to expenditure programs during this Administration have also been a factor. As already noted, the 1996 reform reduced welfare caseloads by encouraging work, and the 1997 Balanced Budget Act made changes to the Medicare payments system that have at least temporarily constrained growth in health care spending.

Rising Incomes and Revenue

Federal Government receipts vary with the business cycle in the opposite direction from expenditures, growing during booms and shrinking in recessions. In fact, receipts, especially income tax revenues, play an important role as an automatic stabilizer of the economy. The progressivity of the income tax system causes income tax receipts to fall faster than income during a recession, cushioning the impact of the recession on after-tax income. Thus some of the improvement in the Federal budget since 1993 reflects a normal cyclical recovery. But growth in receipts, especially personal income tax receipts, has been especially strong in the past few years, when the economy has been expanding rapidly. This has happened even though statutory tax rates have not increased.

Individual income tax receipts have risen from less than 8 percent of GDP in 1994 to nearly 10 percent most recently. From 1994 to 1998 the growth in that ratio contributed approximately \$140 billion in additional cumulative revenue. This faster growth in revenue relative to GDP reflects two main factors: faster growth in taxable income than in income generally, and a rise in receipts due to rising real incomes and the progressive structure of income tax rates.

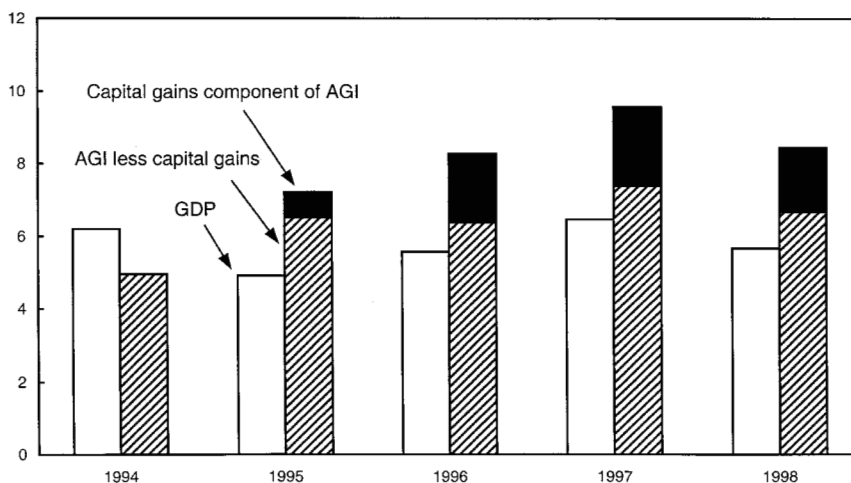
According to Treasury Department and Congressional Budget Office analyses of the 1994–98 period, nearly 60 percent of the increase in individual income tax liabilities relative to GDP arose from rapid growth in adjusted gross income (AGI) relative to GDP. Of this 60 percent, about 17 percentage points occurred because the taxable components of personal income grew faster than the other income components of GDP. The rest reflects strong growth in sources of AGI that are not included in GDP (because this income is not earned as a result of current production), such as capital gains realizations and retirement benefits. The former have been particularly important (Chart 2-16): growth of capital gains alone accounts for 30 to 40 percent of the additional revenue.

The remaining growth in individual income tax liabilities relative to GDP (about 40 percent) reflects the growth of revenue that results from rising real incomes in a progressive tax system. Although statutory individual income tax rates have not increased since 1993, the average tax rate on non-capital gains AGI has increased. Two factors account for most of this increase. First, for taxpayers in general, income has grown faster than inflation. As a result, more taxpayers have more income taxed in the higher brackets, even though the brackets are indexed for inflation. Second, more taxable income is accruing at the top of the distribution of taxpayers, and hence more is subject to the top tax rates. Tax return data indicate that the share of taxpayers with AGIs above \$200,000 (in 1998 dollars) rose over the 1994–98 period, and those taxpayers experienced faster growth in income

Adjusted gross income has grown faster than GDP in recent years, largely as a result of sharp increases in capital gains realizations.

Chart 2-16 Growth in GDP and Adjusted Gross Income (AGI)

Percent



Sources: Department of Commerce (Bureau of Economic Analysis) and Department of the Treasury (Internal Revenue Service and Office of Tax Analysis).

than the average taxpayer. Incomes grew even faster for taxpayers with more than \$1 million in AGI.

The share of income taxes collected from taxpayers at the top of the distribution has increased in recent years, but only because their before-tax incomes have increased significantly; their share of total after-tax income has increased as well. Impressive growth in the stock market contributed to the taxable incomes of these households through higher capital gains realizations, greater taxable retirement benefits, and increased compensation in the form of stock options. Labor earnings, which have increased the most for married couples at the top of the income distribution, have also contributed. Capital gains, and the taxes on those gains, had already been surging for a few years before the significant reduction in tax rates on capital gains that took place in 1997—and both capital gains and the taxes on those gains continued to surge after tax rates were cut.

It bears repeating that the additional tax revenue that has contributed to an improved budget outlook has come during a period in which income tax rates have not been increased at all for the overwhelming majority of taxpayers, and no income tax rates have been increased since 1993. The increases in marginal tax rates in OBRA93 affected only the highest-income households (1.2 percent of all taxpayers), but many of these households (and others) got tax relief in 1997 when capital gains tax rates were reduced. Many taxpayers with more modest incomes enjoyed meaningful tax relief over this period from other changes in the tax code. The Earned Income Tax Credit

was expanded several times in the 1990s, most significantly in 1993, and taxes were reduced substantially for lower and middle-income families in 1997 through the child tax credit and new, education-related tax credits, which are phased out at higher income levels. Thus, at any given level of real taxable income, average tax rates have been constant or falling since 1993. For a family of four earning the median income, real income has been rising while the average tax rate has fallen, even after accounting for payroll taxes.

Thus the strong revenue growth that has helped produce growing budget surpluses and rising national saving has been associated with very strong increases in income. Indeed, real after-tax incomes throughout almost all of the income distribution rose strongly over the 1993–99 period. The rising tide has lifted all boats, even after inflation and taxes, and even as government deficits were eliminated. This experience contrasts with that of the 1980s, when higher after-tax private incomes came at the expense of public saving, and increases in income were more skewed toward the top of the income distribution.

The Importance of Maintaining Fiscal Discipline

The improved budget outlook since 1993 reflects real changes in the economy and in policy and represents the achievement of budget discipline. The U.S. economy has reaped the benefits of reduction in the public debt and increased public saving. Nevertheless, the course of the budget and of the economy in the years ahead remains highly uncertain. This makes it especially important to maintain fiscal discipline now, when the economy is strong and the Nation can most afford it—just as a prudent family saves extra income in good times for a future rainy day.

Economic and Policy Uncertainty

As noted in the discussion of the economic outlook, the economic assumptions underlying the budget projections reflect a cautious view of whether recent favorable economic developments will continue. However, a serious economic downturn or an adverse productivity shock would cut into the projected surpluses and slow the paydown of the national debt. Also, the recent very strong growth in revenue relative to GDP is unlikely to be sustained, because taxable income—in particular, the capital gains component—cannot continue to grow faster than GDP indefinitely. (The surplus projections do, in fact, assume a leveling off of individual income tax collections relative to GDP, and a decline in total taxes relative to GDP.) Even when uncertainties are acknowledged, however, it seems most likely that the budget can be kept in surplus if budget policy remains disciplined.

Maintaining that discipline entails an appropriate recognition of current policy priorities while preserving significant amounts of the available

surpluses as a margin of safety and to meet future needs. Budget projections are typically based on current law and practice, but there are always pressures to change current law. For example, analysts have pointed to the possibility that discretionary spending might well rise faster than projected. Also, various tax provisions now scheduled to expire could be extended, and changes could be made to the alternative minimum tax, in ways that would reduce revenue. The pressures to deviate from existing policies do not invalidate the usefulness of projections based on those policies, but they do remind us that part of the challenge of maintaining fiscal discipline will involve addressing these issues.

The Demographic Challenge

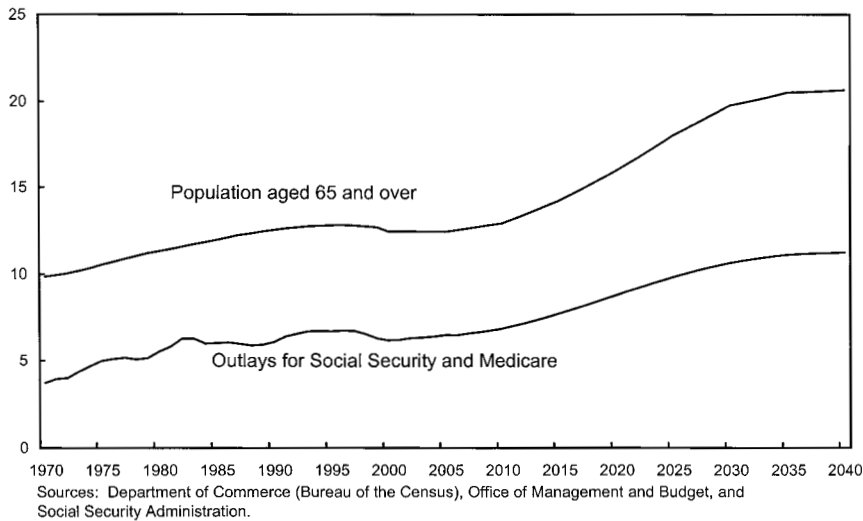
One force affecting future budget surpluses that is both large and inevitable is the aging of the population. Projections indicate that the population aged 65 and over will rise from its current share of about 12½ percent of the total population to nearly 21 percent by 2040 (Chart 2-17). As a result, the share of the population that is at or beyond retirement age relative to that of the working-age population (the elderly dependency ratio) will rise dramatically.

These demographic changes imply changes in the demands that certain government programs place on the Nation's resources and in the role these programs play in the dynamics of the Federal budget. Currently, Federal outlays for health and retirement programs for the elderly are a large share of the budget, but payroll contributions tied to Social Security and Medicare are even larger. Thus the Social Security and Medicare systems are net contributors to the unified budget surplus today. Fairly quickly, however, the surpluses in these systems will start to shrink and eventually turn into deficits if changes are not made. At the same time, retirement and health programs for the elderly will take up an increasing share of Federal outlays. The costs per beneficiary of both Social Security and Medicare are expected to rise in the future, implying an even more dramatic increase in spending on the elderly than population projections alone would suggest. The Medicaid program will also be affected through its coverage of nursing home care: over time, Medicaid is projected to pay an increasing share of the health care bills of the elderly.

Long-term projections indicate that, under current policies, spending on Social Security and Medicare will grow dramatically as a share of GDP, from 6.1 percent in fiscal 2000 to 11.2 percent in 2040 (Chart 2-17) and 12.4 percent by 2075. The Social Security trust fund has been growing since the 1980s and will continue to grow over the next several years. But current projections (based on assumptions of the Social Security trustees) show that Social Security payroll tax revenue will fall short of outlays starting in 2015 and that the trust fund will be depleted in 2037. At that point current

The aging of the population will lead to increased Social Security and Medicare outlays.

Chart 2-17 Population Aged 65 and Over and Outlays for Social Security and Medicare
Percent of total population or GDP



receipts will cover only about 70 percent of outlays. In addition to the demographic challenge, Medicare faces pressures associated with projected increases in health care costs. During this Administration the strong economy, along with a slowing in the growth of health costs, have significantly brightened the short-term outlook for Medicare. However, policy changes still appear necessary to maintain its financial soundness in the long run. Outlays for the hospital insurance portion of Medicare are now expected to exceed corresponding tax receipts starting in 2010, and the hospital insurance trust fund is expected to run out in 2025. Finally, the long-term implications of demographic change for national saving are aggravated by the fact that private saving is also likely to decline as the population ages, because older people tend to draw down their private assets during retirement.

The projected erosion of the Social Security surpluses will reduce the unified budget surplus starting fairly soon. Moreover, the gap between benefits and receipts continues to widen beyond the 75-year window used for the long-run projections of the Social Security trustees; hence the pressure on the budget intensifies over time. Although they have not eliminated these long-term pressures, developments in the economy that have produced a long expansion and higher productivity growth have improved the budget outlook over that 75-year period even more dramatically (primarily through the power of compounding) than they have improved the short-term outlook. A projection of the Administration's economic and policy assumptions based on the June 2000 Mid-Session Review of the budget

suggests that the unified budget could remain in surplus throughout the next 75 years (Chart 2-18).

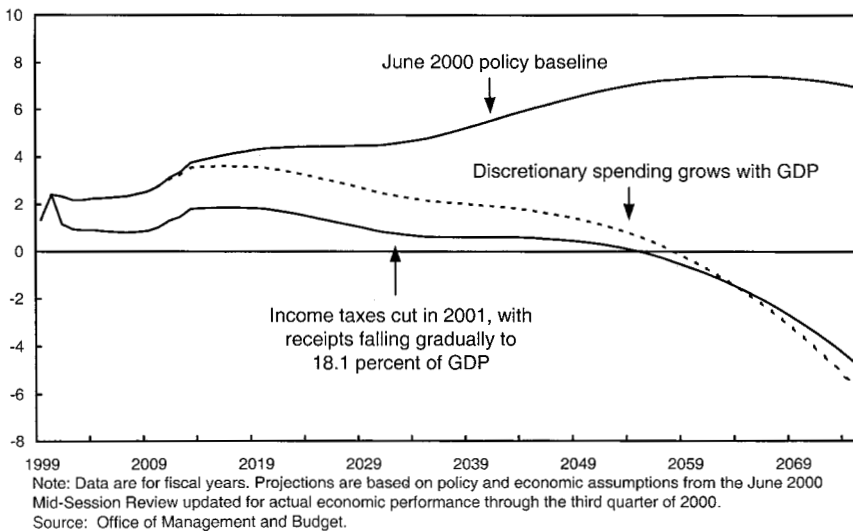
Of course, 75-year projections are fraught with uncertainty, because over this span it is easy for a particular set of economic and policy assumptions to be proved wrong. For example, starting with the baseline projection in Chart 2-18, slower-than-expected growth in tax revenue—or a tax cut—that reduced receipts as a share of GDP to their 1994 level of 18.1 percent would hasten the return of deficits. A similar outcome would occur if discretionary spending were to rise proportionally with GDP instead of merely rising with inflation, as the projections assume. Obviously, various combinations of tax cuts and spending increases could produce even more adverse changes. Other assumptions could also prove inaccurate. More rapid productivity growth or a larger-than-expected increase in immigration would improve the long-term surplus outlook. Slower productivity growth or continuing rapid growth in health care costs would significantly worsen it. So, too, could a lower fertility rate or longer life expectancy than is assumed by the Social Security trustees.

Addressing the Challenge

Current economic and demographic projections indicate that, with the benefits and tax rates specified under current law, Social Security and Medicare will not pay for themselves over the long run. Some combination of modified benefits, increased payroll taxes, or alternative financing will

Decisions to increase spending or cut taxes could undermine the outlook for continued surpluses.

Chart 2-18 Long-Term Budget Balance Projections Under Different Policy Assumptions
Percent of GDP



be necessary to resolve the imbalance. A growing economy helps with this resolution, even if needed changes are postponed to the future. But starting to address the challenge now would reduce uncertainty about what, if any, adjustments future generations will face and would give today's workers greater notice so that they can better plan for their retirement.

A strong economy with adequate saving is critical. The virtuous cycle of fiscal discipline and changes in the economy that have boosted productivity and growth has already paid off: with the vastly improved long-run budget outlook, national saving has increased in a way that contributes to preserving prosperity over the long run and meeting the demographic challenge. But even in a New Economy policymakers must confront scarcity and trade-offs. New tax cuts or spending programs should be well thought out, target high-priority public needs, and include an assessment of overall benefits, costs, and risks. The most effective fiscal strategy to prepare for the future is to pursue policies that boost the productive capacity of the economy. These include encouraging productive public investments in infrastructure and human capital—as well as maintaining fiscal discipline, to encourage public saving and private investment.

Productive public investment complements private investment in raising the economy's capacity to produce goods and services. For example, decades of economic growth have overwhelmed many of the Nation's sanitation, public transportation, and road systems whose original designs date back 50 to 100 years. Investments in modernizing and expanding this infrastructure can improve health outcomes, reduce pollution, ease congestion, and enhance job prospects. As discussed in Chapter 5, education is especially important for preparing Americans to prosper in the New Economy, yet an estimated \$127 billion in additional repairs is needed to rebuild the Nation's schools. Clean, safe schools are better learning environments that will pay dividends well into the middle of this century.

To the extent such investments in infrastructure increase the Nation's capital stock and productive capacity, they contribute to stronger economic growth and raise real incomes. This in turn increases future revenue and reduces the payout of government transfers. But such investment must be undertaken wisely. Poorly thought out investments could prove counterproductive by crowding out more-productive private investment.

Investments in human capital provide another means of maintaining prosperity and preparing for the future. Increased education and training can enhance workers' productivity in much the same way that increases in the amount and quality of physical capital do. State and local governments are mainly responsible for primary and secondary education, but as described in Chapter 5, the Federal Government's more limited role can be crucial as well. Federal programs are also important for postsecondary education and lifetime learning. In recent years the Federal student loan program has been

especially successful at making college more affordable, helped along by the fiscal discipline that has allowed an easing of interest rates; at the same time the Administration's efforts to improve loan repayment have saved taxpayers more than \$14 billion. The Administration's Lifetime Learning tax credit allows some educational expenses to be deducted from income, further improving the affordability of college. Although such tax credits reduce current government revenue, the investment in human capital that they stimulate adds significantly to future private income and income tax receipts. In 1998 the mean earnings of high-school graduates aged 18 or over amounted to \$22,895, whereas persons with a bachelor's degree had mean earnings of \$40,478. This difference in income generated an estimated tax liability for the bachelor's degree holder that was 2.4 times as large as that of the high-school graduate, suggesting that funding education can be good for the Nation's fiscal integrity as well as for personal incomes.

Finally, preserving some share of future budget surpluses will allow public saving to continue to contribute to national saving, increase the amount of capital available in the economy, and support continued economic growth. It will also allow a continued paying down of the public debt, perpetuating the virtuous cycle that has been so good for the New Economy. Debt reduction also helps shrink the demands on the Federal budget as interest payments are reduced and eventually eliminated. Interest savings alone could pay for a large share of the added expenses associated with demographic change and provide a margin of safety against unforeseen adverse economic events.

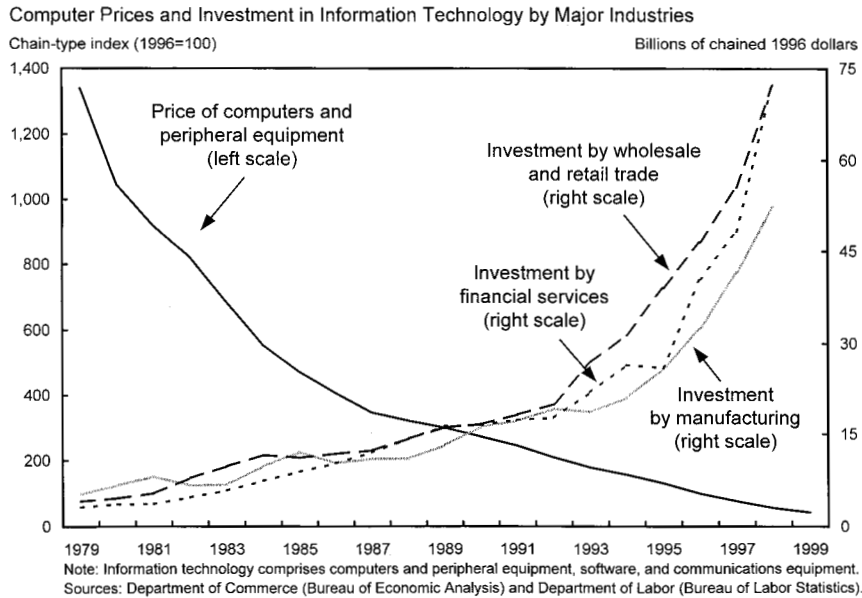
One way to emphasize the importance of not spending the surplus is to create a "lockbox" for the Social Security and Medicare trust fund surpluses. Funds placed in a lockbox could not be used to pay for other programs, but instead would have to be saved. Although the precise amount that the government should save is not necessarily equal to that which would accumulate in the lockbox, such a provision might be an effective way to ensure that significant saving does occur.

Fiscal prudence that preserves the current surpluses, combined with appropriate public investment, would generate more national saving and investment than a policy of large tax cuts or spending increases. Greater saving and investment, in turn, would produce a stronger and more productive economy in the future. Besides directly improving the outlook for Social Security and Medicare under their current structure, such an outcome would provide more resources to deal with any changes to those programs in the future.

Conclusion

U.S. economic performance in 2000 continued to illustrate the benefits that have accrued from a combination of sound policies and a blossoming of technological opportunities. Strong growth, accelerating productivity, low unemployment, and low inflation continue to characterize the longest economic expansion on record. The fiscal stance of the Federal Government has been completely turned around, from one of spiraling deficits to one in which it is reasonable to contemplate the elimination of the public debt. The critical task now is to maintain the fiscal discipline that has been achieved and to focus on ensuring that adequate resources are available for the coming demographic challenge.

The Creation and Diffusion of the New Economy



Sharp decreases in computer prices have encouraged economy-wide investment in information technology.

At the heart of the New Economy lie the many dramatic technological innovations of the last several decades. Advances in computing, information storage, and communications have reduced firms' costs, created markets for new products and services, expanded existing markets, and intensified competition at home and abroad. These innovations have sprung from a remarkable recent flourishing of entrepreneurship, much of it concentrated in high-technology corridors such as California's Silicon Valley. Indeed, the rapid growth of the information technology sector was one of the most remarkable features of the 1990s. Domestic revenue in this sector—which comprises computer hardware, software, and communications—has grown by 120 percent over the last decade. In just the last few years, the Internet has spawned thousands of new companies and created billions of dollars in market value. Wireless telephone carriers alone now employ over 150,000 people in the United States and generate 10 times the annual revenue they posted a decade ago.

The information technology sector has been going about its highly innovative business since the 1970s. The last decade, however, saw a rapid convergence of several of its most important technologies—processing power, data storage and transmission, and software—that translated these innovations into real productivity gains. This chapter will show that these improvements in technology, along with intense competition and innovative organizational practices, have brought significant benefits to many industries throughout the economy. In manufacturing industries such as steel and automobiles, and in service industries such as retail trade and financial services, firms that have embraced information technology and developed custom applications are increasingly productive. Steel furnaces now use high-speed computers running what are called neural networks to improve quality and reduce wear and tear on equipment. In automobile production, networked computers are used for a whole range of activities from the design of new products to the coordination of supplier relationships. In financial services, advances in information technology have led to significant scale economies, reducing the costs of back-office operations, risk management, and customer support. Similar patterns of technological innovation are visible in many other industries.

Technology, however, is not the sole driver of this exceptional performance. During the 1990s, firms in many industries found that technology had its biggest impact when combined with complementary organizational innovations such as incentive pay, flexible work assignments, and increased training. Meanwhile intense competition, both at home and abroad, has forced firms to improve their performance—and weeded out those that do not.

This chapter surveys recent technological improvements, explores the causes of the recent surge in innovation, and explains how changes in technology, regulation, and competition have transformed organizations throughout the economy, leading to significant performance gains. The story is told in four parts.

The first part reviews recent improvements within the information technology sector, focusing on microprocessors, disk drives, and data transmission, and showing how costs have plummeted as capabilities have increased. Future advances in networking, wireless communications, and biotechnology—all fueled by the rapid technological advances of the last 20 years—will likely lead to even more impressive gains.

The second part examines the causes of the surge of innovation. Although the ultimate cause of all innovation is human creativity, the scope and complexity of technical innovation today require a particular support structure. Scientific and technical research and development (R&D) must be

funded, researchers must be trained and equipped, inventors must receive adequate legal protection for their intellectual property, and so on. The discussion here focuses on the demand for technology, on financial market developments such as the growth in venture capital and a stronger market for initial public offerings (IPOs), on private and public R&D activity, and on intellectual property protection. None of these factors alone explains why the United States now finds itself awash in new technology. Rather, it is the convergence of these factors during the last decade that has created a unique climate for entrepreneurs to discover new technologies and bring them to market.

The chapter's third part explains how firms are producing goods and services more efficiently through greater use of computers and other information technologies and the development of complementary organizational practices. The emphasis is on how technology, regulation, and competition interact to create new business opportunities and spur performance gains. The financial services industry provides a useful illustration. As mentioned above, advances in information technology have led to significant scale economies in this industry. Deregulation now provides financial institutions the opportunity—and increased global competition provides the incentive—to exploit these scale economies. The combination of these factors helps explain the dramatic consolidation seen in this industry during the last few years. Further examples of changes in firm boundaries, internal organization, and performance are discussed, from the use of outsourcing and strategic interfirm alliances to new arrangements for compensation and job design. These changes in firm behavior, in many cases facilitated by the dramatic improvements in information technology, are immediate causes of the rapid productivity growth of the last 5 years.

The chapter turns finally to an investigation of the performance gains brought about by these new ways of doing business. There is considerable evidence that information technology and organizational change improve the performance of plants, firms, and industries. Globalization is also closely linked to improvements in firm performance: access to global markets gives firms strong incentives to improve their products and services, and the presence of foreign competitors in domestic markets forces firms to make those improvements or perish. As the competitive environment has changed, firms in many industries are increasingly turning to intangible capital—patents and trade secrets, organizational routines, reputation, and the like—as a source of competitive advantage. This has important implications for firm strategy, as firms seek new ways to build and exploit their stocks of these intangibles.

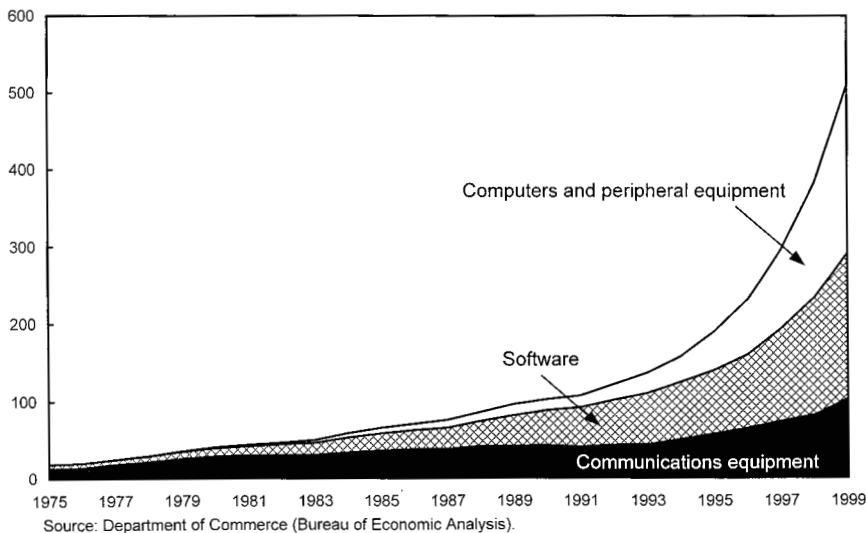
The Advance and Convergence of Information Technologies

The productivity improvements associated with the New Economy have their origins in a series of gradually unfolding advances in information technology that grew out of post–World War II defense research. Over the decades following these discoveries, the costs of processing, storing, and transmitting information fell dramatically. During the 1990s this process accelerated rapidly as computers became increasingly powerful, communications networks became much faster and cheaper, and firms developed the necessary software and organizational capabilities to translate these new technologies into performance gains. The emergence of the commercial Internet in the mid-1990s promises to extend these gains even further.

Clearly, the information technology sector has been one of the most innovative and visible in the New Economy. The sector now accounts for an estimated 8.3 percent of GDP, up from 5.8 percent in 1990. Private investment in information technology rose at a 19 percent annual rate over the 1990s as a whole and accelerated to 28 percent after 1995 (Chart 3-1). Advances within each area of information technology have created new markets, extended existing markets, and improved the efficiency of firms and industries.

Real investment in information technology rose at a 19 percent annual rate from 1990 to 1999 and at a 28 percent annual rate from 1995 to 1999.

Chart 3-1 Real Investment in Information Technology
Billions of chained 1996 dollars

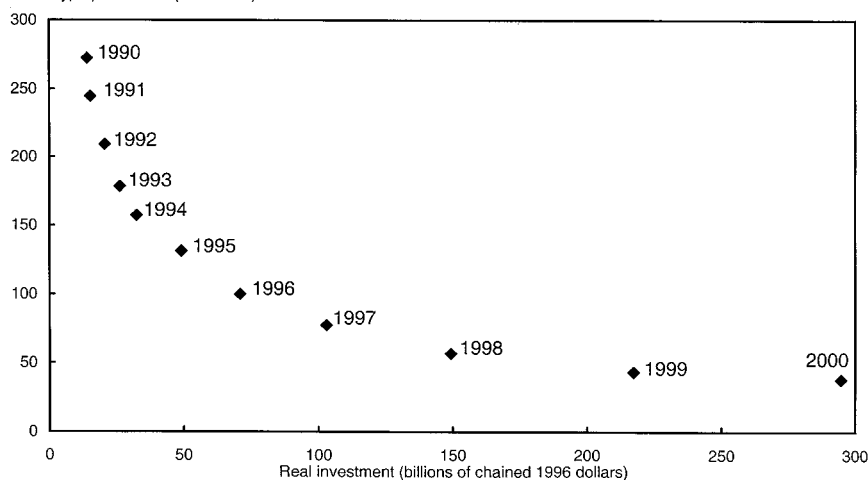


The most impressive technological advances have come in terms of speed, storage capacity, data transmission capacity, and the improvement of user interfaces. Moore's law—the prediction by semiconductor pioneer Gordon Moore back in 1968 that transistor density on silicon wafers would continue to double every 18 months—has generally held true, generating one of the most remarkable phenomena of the late 20th century. Since 1980 the speed of microprocessors used in personal computers has increased more than a hundredfold, while the cost of performing 1 million instructions per second has fallen from over \$100 to less than 20 cents. These advances, along with intense competition in computer assembly and distribution, drove quality-adjusted prices for computers and peripheral equipment down by 71 percent between 1995 and 2000. This coincided with a dramatic increase in private investment in computers and peripheral equipment (Chart 3-2). Complementary investment in software has nearly doubled. However, quality-adjusted prices of software have fallen by only 2 percent, reflecting in part the fact that labor is the major input into software production, and in part the difficulty of measuring quality improvements in this area (Chart 3-3).

Advances in data storage, which complement these advances in computer processing power, have also been impressive. The cost per megabyte of hard disk storage has fallen from over \$100 in 1980 to less than 1 cent today. The newest generation of “microdrives,” designed for handheld devices such as

As prices fell over the 1990s, real investment in computers and peripheral equipment increased dramatically.

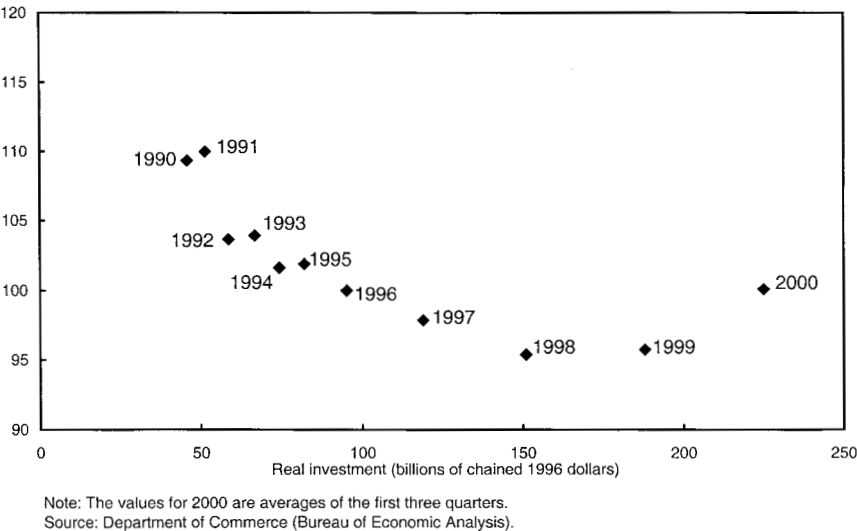
Chart 3-2 Prices and Real Investment in Computers and Peripheral Equipment
Chain-type price index (1996=100)



Note: The values for 2000 are averages of the first three quarters.
Source: Department of Commerce (Bureau of Economic Analysis).

As investment in computers soared after 1995, investment in software nearly tripled despite little reduction in prices.

Chart 3-3 Prices and Real Investment in Software
Chain-type price index (1996=100)



wireless phones and digital music players, hold a gigabyte of data, are smaller than a matchbook, weigh less than an ounce, and sell for under \$500. (By contrast, the first gigabyte-capacity disk drive, introduced in 1980, was the size of a refrigerator, weighed 550 pounds, and cost \$40,000.)

Finally, data transmission capacity has skyrocketed: since 1996 the capacity of a single fiber-optic cable has increased by a factor of 20 in widely available commercial systems, and experts expect such technological progress to be sustained over at least the next 5 years. These improvements, again along with healthy competition, have reduced the cost of communications dramatically. Information can now be accessed from anywhere in the world via the public Internet at no cost once the user has connected. The emerging communications infrastructure allows firms to collect, store, process, and transmit information at ever-higher volume and lower cost. Between 1980 and 1999 the cost of sending 1 trillion bits of information electronically fell from \$129,000 to 12 cents.

A revolution in software development has been built upon these advances in hardware. Private investment in software has risen from \$11 billion in 1980 to \$50 billion in 1990 and about \$225 billion in 2000. The trend in software design is toward independent modules that can be combined for a variety of applications, and away from less flexible programs designed for individual users. Software has also become more sophisticated. Since about 1990, large firms have been spending billions on “enterprise resource

management” programs: complex systems that integrate ordering, procurement, inventory, finance, and human resources. Smaller firms can get similar services from what are called applications service providers operating over the Internet.

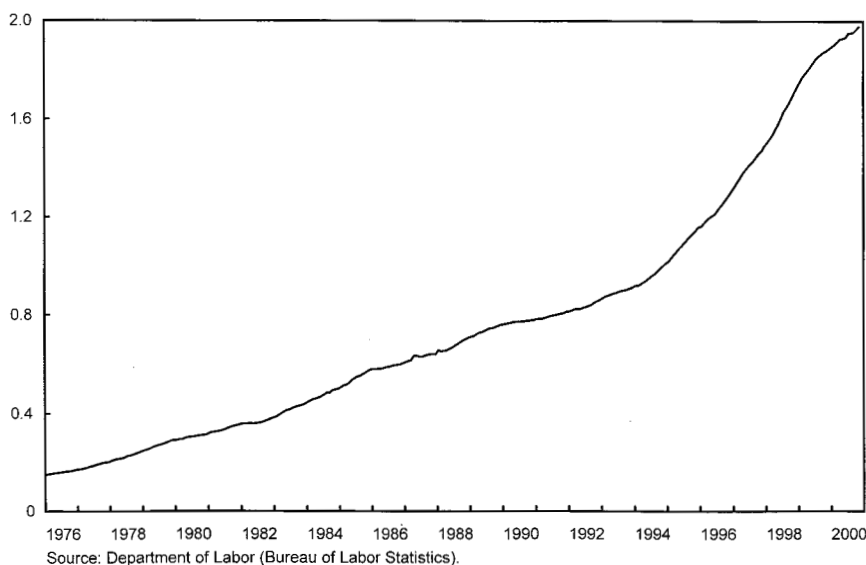
To reap the full benefit of these technological advances, firms are reorganizing many of their business practices. In some industries, firms are taking advantage of technological improvements by refining, expanding, and consolidating their operations so as to reduce costs; in others, startup companies are using technology to create new products, processes, and markets. Consumers are now being offered an increasing array of goods and services for wireless communication, digital entertainment, shopping, education, and other activities.

As firms have rushed to adopt this increasingly ubiquitous, lower cost technology and incorporate it into their businesses, employment in the computer and data processing services sector has exploded, more than doubling between January 1993 and November 2000 (Chart 3-4). This compares with only a 23 percent increase in total private U.S. employment during the same period.

Each on its own, these dramatic technological advances would have been unlikely to generate the profound transformations of firms and of consumer behavior that define the New Economy. Rather, it is the simultaneous convergence of these technologies that has made the difference. The rapid expansion of computer networks, culminating in the commercial Internet,

Employment in computer-related services doubled between 1994 and 2000.

Chart 3-4 Employment in Computer and Data Processing Services
Millions



clearly illustrates this convergence. Economists use the term “network effects” to describe how the benefits of participating in a network depend on how many other people are also on the network. (Who would want to be the only person in the world with a fax machine?) The number of Internet hosts, a proxy for the number of existing connections to the Internet, has increased exponentially since 1990 (Table 3-1). Nearly 42 percent of U.S. households have access to the Internet, and surveys indicate that over 50 percent of U.S. businesses sold products on line in 2000. The number of secure web servers for e-commerce in the United States rose from 7,513 in 1997 to 65,565 in 2000. Traditional firms and new firms alike are competing to deliver consumers higher speed access to the Internet and more sophisticated content and services for this new medium. Together this evidence suggests that the benefits of being on the Internet are growing at an extraordinary rate.

As the case of the Internet clearly shows, the most important breakthroughs of this information era have resulted from the convergence of fast processing, inexpensive data storage, and rapid communications. This technology is considerably more valuable to firms when combined with complementary human capital and the appropriate organizational routines, and when contractors outside the organization are available for development, implementation, and maintenance. The convergence of these technological advances, in combination with changing firm routines, has fueled much of the development of the New Economy.

TABLE 3-1.— *Content and Commerce on the Internet*

Year	Worldwide Internet hosts (thousands)	U.S. secure web servers for electronic commerce
1990	313	...
1991	535	...
1992	992	...
1993	1,776	...
1994	3,212	...
1995	6,642	...
1996	12,881	...
1997	19,540	7,513
1998	36,739	16,663
1999	56,218	33,792
2000	93,048	65,565

Note.—Internet hosts as of July of each year, except 1990 figure is for October. Secure web servers measured in September 1997, August 1998, August 1999, and July 2000, respectively.

Sources: Organization for Economic Cooperation and Development and Internet Software Consortium.

Why Is the U.S. Economy Awash in Technology?

What explains the recent surge of technical innovation? Of course, the ultimate cause of all innovation is human creativity. But technical innovation does not occur in a vacuum; it requires a structure of incentives and institutions. Firms demand new technology that will let them reduce costs and provide new products and services valued by their customers. For other firms to respond to that demand, scientific and technical R&D must be funded, researchers must be trained, their inventions must receive legal protection, and so on.

Government policies that foster competition, encourage R&D, and reduce trade barriers are important in this regard. The Administration has worked hard to provide an environment that allows entrepreneurship to flourish, particularly in the high-technology sector. For instance, the Administration supported a moratorium on U.S. Internet taxes under the Internet Tax Freedom Act and worked for a freeze on trade duties for electronically traded goods within the World Trade Organization (WTO). To encourage open markets in high-technology goods and services, the Administration signed the WTO's Information Technology Agreement, which will eventually eliminate tariffs on \$600 billion worth of goods, and the WTO's Basic Telecommunications Agreement, which will promote competition and privatization in a global telecommunications services market worth \$1 trillion.

To help ensure the competitiveness of U.S. firms in that market, the President signed the Telecommunications Act of 1996, the first comprehensive telecommunications reform legislation in over 60 years. In September 2000 the President signed an executive memorandum directing Federal agencies to work with the Federal Communications Commission and the private sector to identify the radio spectrum needed for third-generation wireless technology.

To encourage private sector R&D across the gamut of U.S. industries, the Administration worked to extend the Research and Experimentation tax credit through 2004, the longest extension of this policy ever. At the same time, the Administration has supported significant increases in funding for the National Science Foundation (NSF), an independent government agency responsible for promoting science and engineering. The NSF budget was increased by more than 13 percent in fiscal 2001, the largest increase ever. Overall, the President's 2001 budget request included more than \$2 billion for R&D in information technology, a marked increase over the previous year's amount.

Within this favorable climate, technological innovation has proceeded at a rapid pace. This part of the chapter discusses the demand for technology,

financial market developments such as the surge in venture capital and initial public offerings that support technology firms, the role of R&D expenditure in technological development, and the importance of legal protection for technical discoveries. It highlights four important features of the New Economy.

First, intense competition and feedback drive the development and adoption of new technologies. The availability of one technology stimulates demand for complementary technologies, which in turn lowers production costs and encourages further demand for the initial technology.

Second, significant financial market developments have lowered the cost of capital for new businesses. Although the public stock markets are still extremely important, providers of private equity such as venture capital firms are playing a larger role, particularly in the technology sector.

Third, the process of funding R&D has changed. The Federal Government continues to be a major provider of this funding. However, the emphasis of Federal funding has shifted from defense-related technologies to civilian products and services. More important, private R&D has soared, particularly at smaller firms and service firms. Private firms are also devoting an increasing fraction of their research budgets to basic, rather than applied, research. This suggests that the current technology boom is far from over.

Fourth, the innovative process has itself been transformed. Traditionally, innovation has been a highly integrated activity, performed mostly by large firms working independently of each other. Today, innovation is a less integrated process, performed increasingly by large and small firms in collaboration with each other, with academic institutions, and with government agencies. This is seen clearly in the computer hardware industry. Formerly dominated by large, vertically integrated firms, the industry is now frequently led by smaller, more specialized firms using modular technologies that are easily shared among market participants.

The combination of these features explains why the United States has seen so much technological innovation over the last decade. For the most part, these appear to be long-term trends, implying that technological progress will continue to be an important driver of U.S. economic performance.

The Demand for New Technology

Central to the dynamics of the demand for new technology is positive feedback: technological improvements generate increased demand for technology, which fuels further improvements. Several types of feedback are important here. First, in a market characterized by network effects, the more users have adopted a particular technology, the more valuable that technology will be for additional users. For example, the telephone, the fax machine, e-mail, and instant Internet messaging all are more valuable to any

given user the larger the number of other users. Today, household telephone penetration in the United States is nearly 95 percent, more than 9 million fax machines are in use, over 100 million Americans have e-mail accounts, and more than 60 million use instant messaging software.

Second, for products that exhibit increasing returns to scale or strong learning effects in production, sufficient demand can generate larger markets by reducing the unit cost of production, which in a competitive market lowers price and drives demand even higher. Firms in the commercial aircraft and chemicals industries have long recognized the need to “price down the learning curve” to drive demand and maximize the returns on their investments. Semiconductor manufacturing, for example, is characterized by increasing returns to scale. Producing microprocessors or memory chips entails high fixed costs and low variable costs. The more the firm sells, the lower it can price its chips and still profit from its investment. As technological innovation brought ever-faster chips, the fixed costs of building a semiconductor manufacturing plant rose from \$100 million in the early 1980s to \$1.2 billion in the late 1990s. This suggests that increasing returns in the semiconductor industry are becoming increasingly important.

Finally, feedback can occur when strong complementarities between component products of a given system create an interdependent system of demand. For example, the demand for computers depends on the price and quality of software and of peripherals such as printers, modems, and scanners. Yet the demand for software and peripherals is, to a certain extent, determined by the price and quality of computers. More generally, since the complexity of so many information technology products makes it efficient to design each component for a particular purpose, and to establish standardized interfaces between components and even entire products, demand for individual components and given products becomes highly interdependent.

In the United States, deregulation, openness to foreign competition, and low administrative barriers to entry and exit have led to highly competitive markets, providing strong incentives for firms to adopt new technologies. Yet organizations often resist technological change. Adopting new technologies can be costly and risky for firms; some of this risk stems from the changes in relationships, communications practices, and organizational structures that are required to take full advantage of the new technology. A firm with a protected market position can avoid making these productivity-enhancing changes and still remain viable and profitable. Firms in competitive environments cannot. Beyond the highly competitive information technology manufacturing sector, which has been a remarkable user of new technology, competition has driven the demand for new technology in such service industries as telecommunications services, trucking, banking, and retailing, to name a few.

Financial Market Developments

Firms—especially small, innovative startup companies—need funds, guidance, and other forms of support for all aspects of their operations. The United States has offered a uniquely supportive climate for technology startups. In many cases a single individual investor, or “angel,” has provided money at the seed stage, where a new firm’s product concept is developed. Additional funds may be obtained through the private placement market—essentially equity offerings to a limited group. The Federal Government has also played a role in supporting innovation through the Small Business Innovation Research program. One of the most important factors in the financing of new technology, however, has been the recent acceleration in growth of venture capital, which itself has benefited from a thriving market for IPOs. The availability of venture capital has lowered the startup costs for aspiring entrepreneurs, and favorable taxation of capital gains has increased the demand of entrepreneurs for capital. Furthermore, a rising stock market may encourage venture capitalists to support startups, in the expectation that a subsequent public offering or private sale will generate large returns.

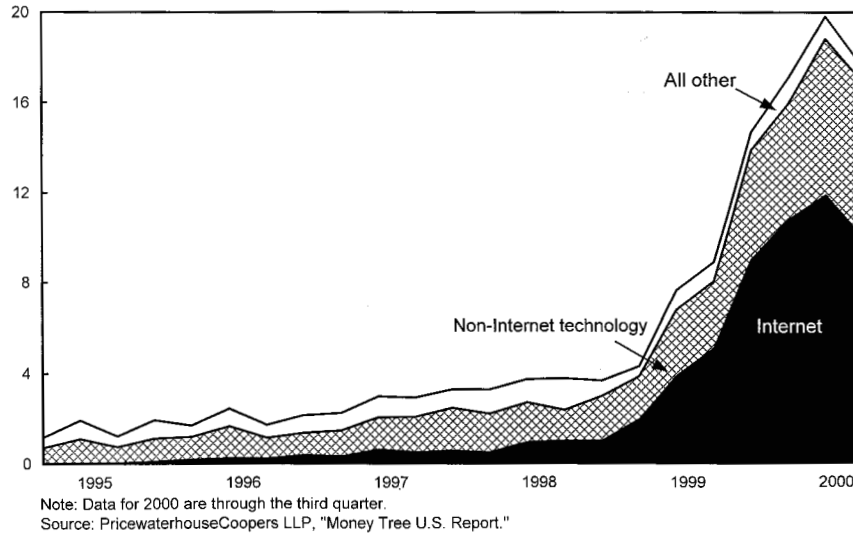
Venture Capital

Venture capital is a form of private equity that targets startup firms primarily in emerging industries. Venture capitalists do much more than supply funds, however. Besides matching entrepreneurs with investors, such as wealthy individuals, banks, and pension funds, they also advise, monitor, and support the projects they fund. Technology firms face two special obstacles in procuring finance. First, the profitability of the projects they pursue is extremely difficult to assess, and second, the entrepreneur’s behavior is difficult for providers of capital to monitor and evaluate. Venture capital firms address these difficulties by getting deeply involved in the development of the typical startup. Typically, one or more of the venture capital firm’s lead investors join the board of directors of the new firm, and from that vantage point they closely monitor the entrepreneur’s activities. The method in which financing is provided allows additional control: the investment is typically staged, with funds disbursed only as the firm passes certain preset milestones. Venture capitalists often advise firms on the selection of key personnel and on the acquisition of legal and financial services. They are also deeply involved in the firm’s strategic choices.

During the 1980s venture capital investment grew on average by 17 percent per year; then, during the 1990s, the pace doubled. Total venture capital investment jumped from \$14.3 billion in all of 1998 to \$54.5 billion in the first three quarters of 2000 alone (Chart 3-5). One company that tracks the venture capital industry estimates that \$134.5 billion was under venture capital management at the end of 1999. Analysts pointed to the large

Technology companies, especially Internet-related firms, attracted huge amounts of venture capital in 1999-2000.

Chart 3-5 Venture Capital Investment
Billions of dollars, quarterly



sums raised at the beginning of 1999, and to a new group of promising projects in Internet-related businesses, as the driving factors behind this surge in financing. Whether the rapid pace of growth can be maintained depends on a number of economic factors, one of which is the strength of the IPO market. Venture capital firms frequently move on to new projects once a firm has been successfully launched. For example, 3 years after an IPO, only 12 percent of lead venture capitalists retain 5 percent or more of the funded company's shares. And the most profitable manner for venture capital investors to exit their investment positions and take their profits is by having the new firm float a public issue. Therefore maintenance of a large and buoyant public equity market is critical.

The Federal Government has long been active in the venture capital business. Congress created the Small Business Investment Corporation (SBIC) program in 1958. This program allows the formation of SBICs, which are privately owned and managed investment firms, licensed by the Small Business Administration, that may borrow funds from the government in order to provide venture capital funding to entrepreneurs. In 1999 SBICs provided \$3.7 billion to 3,700 companies.

Does the enormous growth in the amount of funds described as venture capital really signal a correspondingly large increase in the net resources available to entrepreneurs, or does some of it merely substitute for other sources of funding? There is evidence that not all venture capital is new money: some

large firms, often in the computer hardware and software industries, now make about 15 percent of total venture capital investments through semi-autonomous organizations they set up. These investments might have been counted as internal corporate investment in the past. However, venture capital and traditional corporate R&D do seem to have different effects. In particular, recent evidence suggests that venture capital spurs innovation, as measured by patent activity.

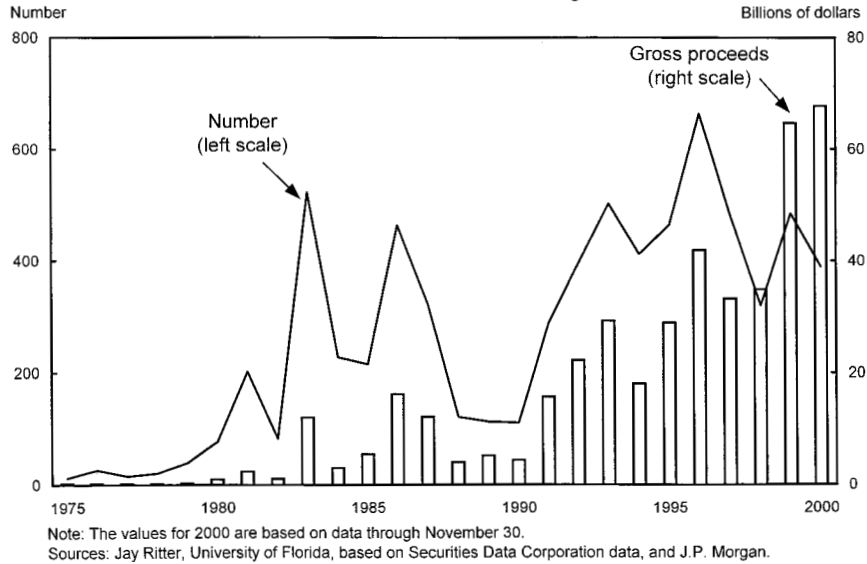
More generally, the thriving venture capital industry is but one part of a growing domestic private equity sector (as distinguished from the public capital markets, that is, the stock and bond markets). In the United States the private equity sector has largely divided itself into two subsectors, each focusing on different types of investments. One consists of the venture capital firms already described, which focus on early-stage investments in startup or newly formed entities. The other consists of investment groups that pursue opportunities in existing, more mature companies. At least 800 established buyout firms operated in the United States during the 1990s. These privately held firms specialize in leveraged acquisitions, recapitalizations, management buyouts, and other restructurings. In principle, buyout firms perform an important function by actively monitoring corporate managers, thus avoiding the collective action problems that limit effective control of management by institutional owners such as banks and pension funds. During the last five years or so, the distinction between venture capital and buyout firms has blurred: several buyout firms have begun investing in Internet startups, while venture capital firms that previously specialized in managing early-stage ventures have participated in buyouts of established technology firms.

Initial Public Offerings

In addition to venture capital, the public capital markets have also served as an extremely important source of capital during the second half of the 1990s and beyond. Between 1993 and the end of November 2000, IPOs raised \$319 billion, more than twice the amount raised in the preceding 20 years, even after adjusting for inflation (Chart 3-6). Although some of the largest IPOs have been those of established firms seeking to raise additional capital, IPOs have also been an important source of capital for new firms, particularly in information technology and biotechnology. An active IPO market fosters innovation by providing capital for new enterprises and, as already mentioned, by providing an attractive exit mechanism for financiers of early-stage, risky ventures, making these financiers more willing to provide risky capital. It also provides liquidity for entrepreneurs, who can appropriate some of the value their efforts have created while retaining at least partial control of their firms.

The value of funds raised in initial public offerings has risen, and the number of offerings has been high.

Chart 3-6 Number and Gross Proceeds of Initial Public Offerings

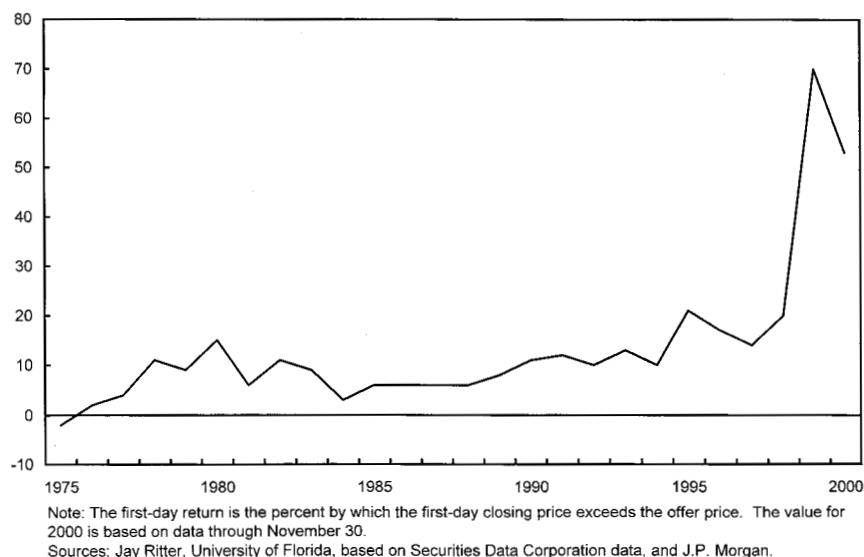


Of some concern, however, is the recent strange behavior of IPO pricing, especially in 1999 and 2000. In 1999 the average first-day return (calculated as the percentage by which the price at the end of the first day of trading exceeds the offering price) for IPO securities was an amazing 69 percent (Chart 3-7). This was three times higher than the average first-day return in any year between 1975 and 1999. This anomaly could be due to either “irrational exuberance” on the part of investors, persistent underpricing by the underwriters of these securities, or both. Economists have developed several possible explanations for the underpricing of IPO securities. Some focus on differences in the information held by the firm and the market, whereas others focus on the incentives of managers, underwriters, and investors. In general, underpricing is not necessarily the result of a market failure.

Evidence on the long-term performance of IPOs is mixed. Equity markets, particularly in the technology and Internet sectors, were extremely volatile in 2000. Internet commerce and Internet services firms recorded remarkably high market values between 1998 and early 2000, but their market values fell sharply after peaking in March 2000. Consequently, although the average number of IPOs per month in late 2000 was only slightly less than the average for the first half of 2000, the average monthly proceeds from IPOs fell by nearly 40 percent. The overall market value of equities remains high,

First-day returns for initial public offerings soared in 1999-2000.

Chart 3-7 First-Day Returns for Initial Public Offerings
Percent



however. As of December 2000, the price-to-earnings ratio of S&P 500 firms stood at 26, substantially above its average of 22 in the 1990s. The price-to-earnings ratio of the Nasdaq composite stock index, which includes a high concentration of technology firms, was 98 near the end of 2000.

The availability of well-developed, sophisticated capital markets has provided important support for the technological advances of the last decade, although whether they will continue to do so in the next decade remains to be seen. The flourishing venture capital market and the dynamic IPO market are unique features of the U.S. economy and may help explain why the New Economy emerged here rather than in Europe or Asia.

R&D in the New Economy

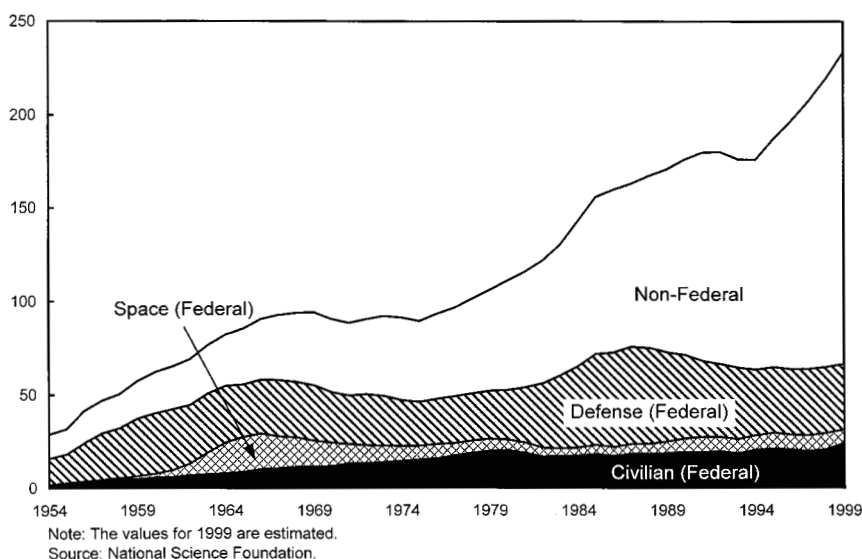
As the economy has become “lighter,” shifting toward products that embody more knowledge capital and less physical capital, R&D—the principal means by which knowledge capital is created—has risen dramatically. The entire R&D process today is in the midst of a transformation away from the vertically integrated model pursued by large R&D laboratories and toward a more decentralized model involving more small-firm R&D and increasing collaboration between firms to bring products and services to market.

Between 1995 and 1999, real R&D spending in the United States grew at an annual rate of nearly 6 percent, evidence of a substantially increased commitment to innovation. Private sector R&D accounts for most of this growth, having increased at a remarkable 8 percent annual rate over the same period. In this era of budgetary restraint, real Federal support for R&D remained approximately constant but shifted somewhat away from defense R&D toward civilian applications (Chart 3-8). Other key indicators offer corroborating evidence of an increase in R&D activity. The number of scientists and engineers doing R&D rose 34 percent between 1995 and 1999. Immigration has been an important source of engineers and scientists in the United States, not only in R&D but in many other activities as well. Foreign-born persons make up only about 10 percent of the U.S. population, but about 13 percent of scientists and engineers.

Private sector support of basic research also increased rapidly in the 1990s, growing at an astounding 17 percent annual rate since 1995. Indeed, one survey observes that “industry is doing more long-range, high-risk, discovery-type research than ever before.” This is somewhat surprising, because economists have typically argued that private firms will tend to focus on applied, rather than basic, research. Because basic research may not produce commercially exploitable results, and because firms fear that competitors will free-ride on their basic research investment if it does bear fruit, private firms are thought to invest little in basic research. In the early 1990s, in fact, several

Real Non-Federal spending on R&D increased sharply after 1993.

Chart 3-8 Real Research and Development Spending by Source and Type
Billions of chained 1996 dollars



large firms famous for supporting basic research scaled back their research budgets after experiencing sharp declines in earnings, raising concerns that private sector support for basic research would dwindle.

Why, then, did private sector support for basic research increase in the 1990s? A recent study shows that patent applications increasingly cite scientific research, and not just existing patents; this suggests that basic science is becoming more important for technological change. (This trend has been particularly strong in information technology and in biotechnology.) For this reason, firms that employ individuals skilled in performing basic R&D may be better able to take advantage of the scientific research performed by universities, the national laboratories, and other firms. Furthermore, as a recent study of postdoctoral biologists' job choices suggests, allowing researchers to pursue basic science and publish their results helps firms attract high-quality researchers and reduces the financial compensation that researchers demand.

The Organization of Innovation

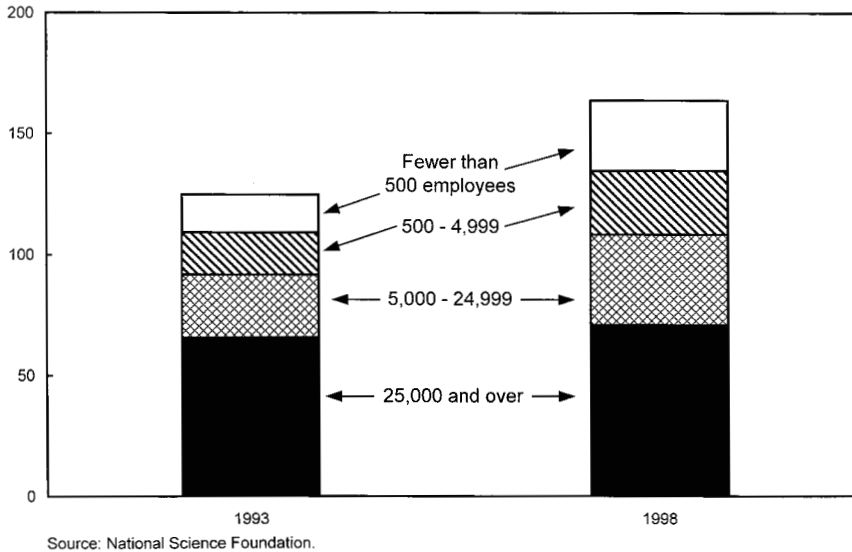
Small firms have been responsible for much of the growth in private R&D. Between 1993 and 1998, real spending on R&D by firms with more than 25,000 employees increased by 8 percent, but R&D conducted by firms with fewer than 500 employees nearly doubled. In 1998 R&D conducted by firms with fewer than 500 employees accounted for 18 percent of all industrial R&D spending (Chart 3-9), and firms with 500 to 4,999 employees accounted for an additional 16 percent, compared with 12 and 14 percent, respectively, in 1993. More than 40 percent of all privately employed scientific researchers now work in these small firms.

The increasing importance of small-firm R&D is consistent with an observed shift, in a number of industries, toward the distribution of innovative activity across multiple independent firms. For example, in the 1950s and 1960s, computer firms usually sold fully integrated, proprietary systems comprising both hardware and software. They developed and manufactured the majority of the components for these systems inside their own company. Today, in contrast, the most popular systems are based on modular architectures. Production of software and hardware is separated, and hardware manufacturing typically involves components designed and developed by dozens of different firms. Many of today's semiconductor design companies own no manufacturing facilities and focus exclusively on creating the intellectual property—the design itself. Still others perform contract production for dozens of these design companies.

Important changes have also occurred in pharmaceuticals. Before the 1970s the discovery of new drugs relied on what was called the random screening approach, which drew mainly on medicinal chemistry and pharmacology. Large, established pharmaceutical firms were the primary

Smaller firms conduct an increasing share of industrial R&D.

Chart 3-9 Total Expenditures on Industrial R&D by Firm Size
Billions of chained 1996 dollars



innovators. Today, in the wake of the molecular biology revolution, firms use a more profound understanding of the biological basis of disease to guide their search for drugs. Biotechnology has also become a technology for producing new drugs as well as discovering them, and the industry has seen the large-scale entry of firms that do both. In today's pharmaceutical industry, collaboration among major pharmaceutical firms, biotechnology firms, and academic institutions has become commonplace. The large drug companies have recognized that it is difficult to acquire all of the capabilities necessary to do modern pharmaceutical R&D; they must rely to some extent on external partners. The new biotechnology firms, for their part, have formed partnerships with the large drug companies that possess skills in conducting clinical trials and marketing that they themselves lack. Many biotechnology startups are closely linked to universities, and universities now routinely enter into licensing agreements with firms to commercialize the patents they hold.

In another departure from traditional R&D patterns, service firms also account for a considerable share of the recent growth of private R&D. The most recent data from the NSF show that service firms have stepped up their performance of R&D over the past few years. R&D by engineering and management services firms, for example, doubled between 1995 and 1998, to \$8 billion, and in the same period R&D by business services firms increased by 69 percent, to \$15 billion. Consistent with today's more

decentralized approach to R&D, these service firms provide essential software for data processing and product development for their clients in manufacturing and other sectors of the economy.

Recent attention has focused on the management of innovation within and between firms. The design of incentives offered to researchers is important here. Incentive schemes must be carefully designed, particularly when multiple tasks—for instance, both basic and applied research—compete for a researcher’s time and attention. Studies have suggested that firms seeking to develop promising but immature technologies with the potential to challenge their current business should establish separate, independent business units to develop these technologies. Otherwise the incentives of researchers and others within the organization could come in conflict.

Developments in information technology, meanwhile, have made possible entirely new R&D processes that further challenge the traditional centralized models. “Open-source” software design, which encourages users to modify the source code of a program and to share these improvements with others, has become increasingly widespread. Tens of thousands of programmers in the United States and abroad have contributed to open-source programs for such widely used products as Internet server software, e-mail routing software, and even some personal computer operating systems. Widespread Internet access has led to a dramatic acceleration in open-source activity, despite the fact that open-source programmers typically do this work without pay and distribute their source code for free. They may be motivated by reputation, which can lead to better future job offers and greater respect among peers, or by the sheer pleasure of solving the problem.

Another key feature of innovation and R&D in the New Economy is geographic concentration. Such concentration persists even in a world where declining telecommunications costs and improved software have made it easier for researchers in distant parts of the globe to collaborate. Knowledge spillovers between firms, and between firms and academic institutions, are particularly important in the technology sector. One study that looked at patent citations as a measure of these spillovers suggests that they are geographically localized; this finding remains even after controlling for pre-existing research activity. Spillovers involving what economists call tacit knowledge—knowledge that is not easily codified or communicated except through close interaction—may be even more geographically localized, since they are likely to be mediated through social ties (for example, between an entrepreneur and a venture capitalist) or face-to-face contact. This creates geographic clusters of firms in a set of related industries. Many of the Nation’s high-technology clusters benefit greatly from proximity to major research universities; besides Silicon Valley, examples include the Research Triangle in North Carolina, Route 128 in Massachusetts, and Austin, Texas.

Aside from the benefits from research spillovers, firms may choose to locate in these clusters to have better access to sophisticated customers, to benefit from the presence of supporting industries, and because startup costs—particularly the costs of hiring employees with a specific type of expertise—are lower. Clustering has been pronounced in industries where university R&D, private R&D, and skilled labor are particularly important.

Government Funding for R&D

The Federal Government continues to supply over half of all basic research funds in the United States, as it has since World War II (Box 3-1). Between 1993 and 1999, Federal funding for basic research increased at a 2 percent annual real rate. This funding increased a further 9 percent in fiscal 2000 and is budgeted to increase an additional 7 percent in fiscal 2001. Many New Economy technologies, such as the web browser and the Internet, have their origins in federally funded basic research. Other important technologies such as bar codes, fiber optics, and data compression also benefited from public funding in their early stages.

This Administration has increased basic research funding for many important technologies, computer science and biotechnology in particular. In 1999, 20 percent of the Federal research budget went toward health and human services research, and 50 percent of Federal basic research funds went toward the life sciences. Recently, Federal funding for basic research in information technology has increased. The Administration has established the Information Technology for the 21st Century Initiative, a basic research initiative targeted at software development, supercomputing, and networking infrastructure and examining the societal implications of the information technology revolution. This program had a budget of \$309 million in fiscal 2000 and \$704 million in fiscal 2001.

Any discussion of the Federal role in R&D requires careful consideration of whether public R&D complements or substitutes for private R&D. Some forms of R&D performed by the Federal Government are clearly complementary to private R&D spending. For example, providing information about the genetic basis of disease could increase the productivity of private R&D efforts to design new drugs. However, public R&D may at times crowd out private R&D if firms perceive that they can free-ride on government-supported projects, particularly those that focus on developing specific products. Time considerations may also be important. Today's Federal spending may support tomorrow's private spending but reduce the incentives for the private sector to do research today. Partly because of these considerations, the focus of Federal R&D spending has typically been on basic research, where underinvestment by private firms is thought to be most likely, and on R&D related to the missions of government agencies.

Encouraging Private Research and Collaboration

Besides providing direct funding, government policy has created a favorable climate for private R&D through the tax code and through encouraging collaboration among private sector firms. According to the Organization for Economic Cooperation and Development (OECD), the tax treatment of

Box 3-1. Federal R&D and Commercial Technology: Licensing, Cooperation, and Partnerships

A significant fraction of federally funded R&D supports the needs of Federal agencies pursuing public purposes such as national defense. However, the technology created by this research often has potentially valuable private sector applications as well. A series of new laws in the 1980s encouraged the realization of this potential by making technology transfer an explicit mission of the Federal laboratories. These laboratories were also given the authority to grant licenses on their patents to U.S. businesses and universities, and Federal agencies were allowed to enter into cooperative research and development agreements (CRADAs) with private firms to conduct research benefiting both the government and the CRADA partner. In the 1990s these technology transfer mechanisms took root and flowered in the Federal research enterprise. In 1998 Federal laboratories granted licenses for nearly twice as many inventions as in 1993, and nearly three times as many as in 1990. Not surprisingly, income from these licenses has risen dramatically. The number of active CRADA projects has doubled since 1993, with most such projects in the defense and energy spheres.

The missions of some Federal agencies target commercial applications specifically. The Advanced Technology Program (ATP), administered by the National Institute of Standards and Technology, supports research projects that focus on the long-term technology needs of U.S. industry, by sharing the cost of peer-approved, high-risk projects. Over 460 ATP awards—many of which have gone to cooperative ventures between firms and universities—have been made in fields as diverse as photonics, manufacturing, materials science, information technology, and biotechnology.

Founded in 1993, the Partnership for a New Generation of Vehicles (PNGV) is another example of how Federal agencies and industry have joined forces to pursue mutual interests. The PNGV brings together the three major U.S. automakers, over 300 automotive suppliers and universities, and seven Federal agencies to develop technology for environmentally friendly vehicles. The vehicles developed under this program promise to achieve up to triple the fuel efficiency of today's vehicles, and very low emissions, without sacrificing affordability, performance, or safety.

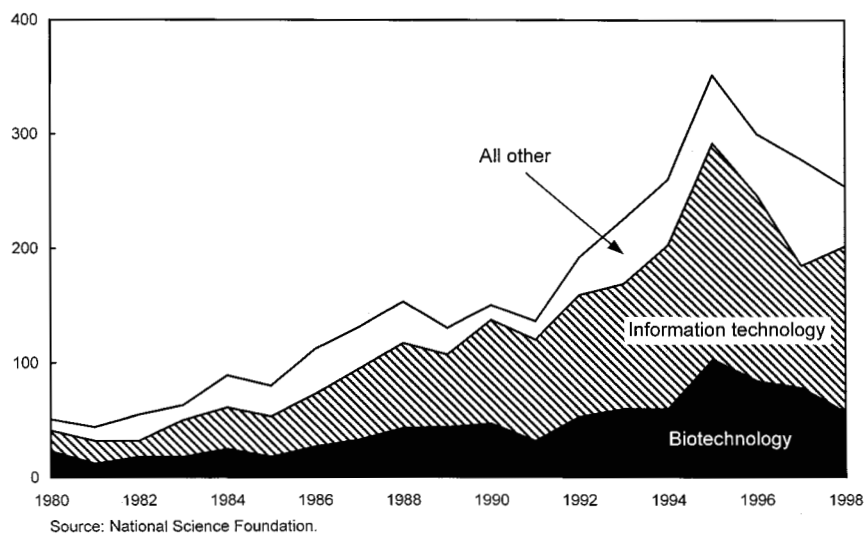
R&D in the United States is one of the more favorable among OECD nations. Federal policy has also encouraged the formation of strategic technology alliances, which are particularly important for new modes of R&D. Two hundred and fifty-five domestic U.S. technology alliances were formed in 1998, up from a mere 51 in 1980 (Chart 3-10). The number of alliances formed between U.S. and foreign firms climbed from 88 in 1980 to 222 in 1998. This growth in new alliances was driven largely by agreements between firms in information technology and biotechnology.

One particularly intensive type of technology alliance is the research joint venture. Research joint ventures allow participating firms to take advantage of their different and often complementary capabilities, to spread the risk of a project, and to pool resources. For example, two major firms working on computer memory technology recently announced a joint effort to develop magnetic random access memory (MRAM). This technology promises more efficient computing—machines using MRAM will start up instantly, for example. One company has created the early MRAM technology itself, whereas the other brings to the venture additional expertise in complex semiconductor memory. Combining the efforts of some 80 engineers, the firms hope to develop commercially viable MRAM by 2004.

Research joint ventures limit wasteful duplication and are particularly important for projects whose payoffs are likely to be years away. Most important, they allow firms to internalize some of the benefits of knowledge

Increased activity in high-technology industries led to a rise in the number of new domestic strategic technology alliances in the 1990s.

Chart 3-10 New Domestic Strategic Technology Alliances
Number



spillovers; the difficulty in capturing these externalities is presumably a reason why firms are thought to underinvest in R&D in the first place.

Although technology alliances existed before the mid-1980s, U.S. antitrust law created some confusion about the extent to which firms could cooperate on R&D. With passage of the National Cooperative Research Act in 1984, the treatment of research joint ventures under antitrust law was modified in two important respects: the application of antitrust law to such ventures was clarified, and the maximum penalty that could be assessed in a successful private lawsuit was reduced. The 1993 National Cooperative Research and Production Act further liberalized the environment for cooperation by extending these provisions to include the application of technologies developed by joint efforts. Seven hundred and forty-one research joint ventures were registered under this act through 1998, with most occurring in the communications, electronics, and transportation equipment industries.

Intellectual Property Protection

Perhaps the chief incentive for innovation is the potential financial reward from owning a unique resource, product, or service. Innovators often profit simply by being first to market, but legal protection for their discoveries provides an additional attraction. U.S. law provides particularly strong intellectual property protection. For example, it allows the patenting of most biological material that occurs as a result of substantial human intervention, and this protection has contributed to the rapid innovation in the U.S. biotechnology industry. European case law for biotechnology patents is evolving but inconsistent, and the European Union does not currently grant patents for plant varieties. Japanese law for the patenting of living material is similar to that in the United States, but Japan prohibits the protection of biotechnology inventions related to the human body for the purpose of diagnosis or treatment of disease.

In addition, the United States grants clear protection to a variety of computer-related innovations, an area that Japanese and European laws protect more loosely. The European Patent Convention specifically notes that computer programs as such are not to be regarded as inventions. Although court rulings have interpreted this as requiring that software inventions make a technical contribution to be eligible for a patent, considerable misunderstanding remains in the European Union about the extent of patent protection for software, particularly among small and medium-size enterprises. In Japan a software patent claim can only be expressed as a claim on the process, whereas in the United States claims can cover a product or a process. This means that, in Japan, many more patents may be required to fully cover a new software package; this increases the possibility of a gap in protection that a competitor can exploit. In both the European Union and

Japan, a software patent is substantially narrower than one granted in the United States.

As more new technologies emerge, challenges to incorporating these innovations into the intellectual property framework will continue to surface. As it did with earlier innovations, the existing intellectual property framework is adapting to accommodate today's new technologies. For instance, the increasing use of software has blurred the line between a physical transformation, which is traditionally covered by the patent system, and a concept, which is not. Court rulings have consistently upheld the patent protection of "business methods"—financial techniques or software programs that suffuse technology and concept. However, the legal rulings in favor of business methods patents have generated controversy, as illustrated by the debate surrounding a large Internet retailer's patenting of its website ordering process. Critics argue that patents of business methods are of low quality and overly broad, and that they might stifle innovation. In response, the Patent and Trademark Office announced the Business Methods Patent Initiative in early 2000. The initiative establishes new procedures for reviewing such patents, including a second layer of patent review, enhanced training for examiners, and expanded searches for prior work.

The proliferation of new technologies has also raised issues related to copyright and trademark law. "Peer-to-peer" file-sharing systems permit the easy exchange of copyrighted media, including music, software, video, and texts. The Administration has supported the extension of copyright protection to the digital realm and has worked to establish an international standard of copyright. One achievement in this area was the passage of the Digital Millennium Copyright Act (DMCA), which implements the Copyright Treaty and the Performances and Phonograms Treaty of the World Intellectual Property Organization. Among other provisions, the DMCA limits the extent to which Internet service providers can be held accountable for copyright infringement by their users.

As biotechnology, the Internet, and other innovative technologies become more widespread, important legal challenges will continue to emerge. For example, e-signature legislation recently took effect, providing standards under which legally binding signatures can be created and sent electronically. This advance brings with it important new challenges in contracting.

A Favorable Alignment

Why, then, is the U.S. economy awash in technology? The evidence suggests that the combination of increased, competition-driven demand for technology, thriving financial markets, increased public and private R&D, and legal protection have created a uniquely favorable climate for entrepreneurship in the technology sector. As this chapter has emphasized, it is not

any one of these factors in isolation but rather the convergence of these favorable conditions that has led to the recent surge in technological innovation. Technology flourishes when markets are allowed to work, and where government policy provides essential support.

Doing Business in the New Economy

How has growth in technological innovation affected the economy as a whole? Chapters 1 and 2 of this *Report* detailed the effects of information technology on economy-wide productivity. Here the focus is on the effects of technology, along with complementary organizational practices and increased global competition, on the behavior of individual plants, firms, and industries. The remarkable productivity of the information technology sector itself over the last several decades has already been discussed. This part of the chapter turns to other sectors of the economy, to show how the technologies and business methods of the New Economy have spread beyond the information technology sector.

Chapter 1 presented aggregate evidence that the New Economy has diffused outside the information technology sector to the service-producing industries. Between 1989 and 1999, labor productivity accelerated in retail and wholesale trade and in finance and business services (Table 1-2). These industries are heavy users of information technology, and this technology may have contributed to these gains. However, the aggregate statistics do not provide the whole picture. Productivity gains in these industries are difficult to gauge: measuring output and prices is an imperfect exercise, and the productivity numbers do not incorporate important changes in quality. To understand and extend these findings, then, it is essential to look at evidence within firms and industries. This section focuses on the underlying mechanisms by which performance gains might arise.

These performance gains come mainly from two sources. First, the level of investment in information technology has increased sharply, in both the manufacturing and the services sectors. As discussed in Chapters 1 and 2, only since 1995 has investment in information technology grown to the point where the stock of information technology capital can itself have a noticeable effect on aggregate productivity. However, computers are more than just another factor of production. As this section will emphasize, another important driver of productivity growth is the way computers and electronic communications together enhance the efficiency of labor and other factors, as firms adapt these technologies to their own unique business applications. It is these increases in the productivity of all factors that explain the economy-wide gains documented in Chapters 1 and 2.

Information technology has made inputs more productive by changing the way firms do business. In manufacturing, increasing computing power and decreasing cost have brought about performance gains through automation, numeric control, computer-aided design, and other channels. Information technology has also facilitated changes in job design, giving manufacturing workers more decisionmaking authority on the shop floor and placing a premium on technical skills. Firms are also relying increasingly on performance-based pay, including profit-sharing and stock option plans.

Supplier and customer relations have also changed. Supplier contacts that were formerly kept at arm's length have become more closely integrated and coordinated, thanks in part to automated procurement systems. Data that used to be kept proprietary are now increasingly shared between business partners. Inventories have shrunk. Firms use databases of transaction histories to target products and services to individual customers, while setting up telephone call centers and other operations to improve service.

The structure of many markets has changed. In some sectors high fixed costs and low marginal costs, combined with first-mover advantages and network effects, have led to highly concentrated markets. Other sectors are populated by smaller, newer firms. Firm boundaries are also shifting more rapidly as firms move toward flexible, collaborative relationships such as strategic alliances with suppliers and even potential rivals.

Finally, competition in the New Economy is more vibrant, more dynamic than ever before. Many markets have become more “entrepreneurial” as new business starts—and business failures—have increased. The increase in global trade brought about by trade liberalization along with lower communications and transportation costs has led to improved performance. This section outlines the effect of technology, organization, and other factors on performance.

New Developments Inside Plants and Firms

Many people associate the New Economy with semiconductor plants or biotechnology research laboratories. Those are, of course, important drivers of recent performance improvements. However, information technology has had significant effects on old-economy industries as well.

Applying Computing Power Outside the Information Technology Sector

As computing power has gotten cheaper and firms have made greater investments in information technology, they have learned to apply that greater power to improving the performance of the firm. Manufacturing firms have done this by investing in information technology that is embedded in much of the new machinery they install, and by investing in information technology in their business processes. Service firms have used

the new technologies to introduce new products and processes as well. Although the case studies presented below do not add up to an economy-wide measure of the impact of information technology, they do show clearly that it is improving productivity in many sectors of the economy—even old-economy industries such as steel, transportation, and banking.

In the manufacturing sector, computers allow the automation of many tasks, improving the flexibility, speed, and reliability of the production process. The machine tool industry provides an example (Box 3-2). These improvements in the production process are also combined with the use of new software that governs scheduling mechanisms, to reduce work in process and shorten lead times for order fulfillment. In the services sector, the availability of information and the increased ability to process that information have enabled retailers and service providers to respond more quickly to changing customer demand and to provide more customized service.

The changes witnessed in the steel industry exemplify these changes in production processes and management practices. The fundamental processes of steelmaking remain much as they always were: melting raw material, forming it into an intermediate product, and shaping and treating that product into final goods. But a number of technological advances, many incorporating information technology to measure, monitor, and control these processes, have affected almost every step in steel production.

As recently as 10 or 15 years ago, steelmaking involved extensive manual control and setup and relied heavily on operators' experience, observation, and intuition in determining how to control the process. Computer processing of data from sensors, using innovative software, has improved the ability to control the process, allowing faster, more efficient operation, in addition to more uniform product quality. For example, the availability of computing power to quickly process data has enabled steelmakers to combine sophisticated software decisionmaking algorithms (called neural networks) with precision sensing devices to continuously monitor and adjust the ever-changing conditions in the electric arc furnaces widely used for melting steel. This closer control reduces both energy consumption and wear and tear on the equipment. The setup to cast the molten steel into an intermediate product has changed from a process in which several operators would "walk the line," setting the controls for every motor and pump, to one in which a single operator uses an automatic control system that synchronizes and sets the equipment. The rolling process now incorporates sensors that constantly inspect for deviations from the desired shape, allowing the operators to make corrections before material is wasted. Operators can remotely control the speed and clearance of the rolls using computer-controlled motors to correct problems as they develop.

Box 3-2. Information Technology in the Machine Tool Industry: The New Economy Helps the Old

The machine tool industry, one of the oldest and most basic of U.S. manufacturing industries, appears to have experienced accelerated performance in the 1990s as a result of improvements based on information technology. Because this industry makes the machines used in the rest of the manufacturing sector, improvements in the quality of its products can result in productivity gains for the entire sector. The annual productivity growth rate for this industry rose to 2.5 percent from 1990 through 1998 after more than a decade of decline. But even this figure underestimates the performance gains that have arisen from improvements in such factors as reduced inventories and higher product quality.

The use of computerized, numerically controlled machines in this industry has had a major impact. Although developed in the 1970s, numerically controlled machines made up only 5 percent of the machining base by 1983. By 1997, however, this share had risen to 68 percent. These machines increase operating speed: one study found that as of 1987 they had already reduced unit production time by 40 percent relative to manual production. They also increase output quality and reduce setup times, so that products can be switched more frequently and inventories can be kept smaller.

One industry that uses these production methods is valve production: valves are seen in virtually every industrial environment, where they are used in pipelines to control the flow of liquids or gases of various kinds. Data described below from a typical valve-making firm document pronounced productivity gains in three primary areas of the firm: new product design, production, and inspection. To envision these phases, imagine that the firm is making a complicated valve part starting with a chunk of steel, then boring a hole in the middle for liquid flow, turning grooves on the end, and finally drilling and tapping additional holes and turning protrusions that permit control devices to be attached.

New Product Design

New product design is a primary element of production, because valve production is often very specialized; small numbers of valves must be produced that are unique to the new application for which they are ordered. In the 1990s the computer-aided design software used by valve-producing firms became capable of displaying three-dimensional images, showing the valve as a solid model rather than as a flat planar representation. This change speeded design time enormously. The new software also allows all the properties of the valve,

continued on next page...

Box 3-2.—continued

such as stress loads and the center of gravity, to be calculated automatically, thus eliminating the need for extensive manual calculations. It also eliminates the need for a demonstration model and significantly improves design quality. One firm estimates that the new software has reduced design time by more than 50 percent and cut the required number of engineers and draftsmen on a typical job by 30 percent. Thus, although at least 84 percent of all manufacturers had introduced computer-aided design in some form by 1997, the very recent move to three-dimensional design is likely to have a particularly strong impact on performance.

New Production Methods

Numerically controlled machines were introduced 25 years ago, but the recently developed computer numerical control (CNC) machines can produce valve parts much more rapidly. These machines are run by sophisticated software with a simple graphical user interface that enables the operator to produce a typical complicated part in one day, compared with the four days it would have taken previously. Moreover, the CNC machine is much more versatile. Two CNC machines are enough to produce a new valve that might have required eight of the earlier-generation machines 10 years ago.

New Inspection Techniques

A complicated valve often must be machined in each dimension to a tolerance of 1/1000th of an inch. Therefore inspection is a critical part of the production process. For many years inspection was done with manual measuring devices, which was very time consuming. Inspection machines developed in the last few years instead use a probe technology, so that the operator simply touches each surface of the valve with a probe, which then generates a three-dimensional image and measures all dimensions. The new device can cut inspection time for a typical complicated valve part from 20 hours to 4.

The Importance of Information Technology

The machines that make today's complicated valves are run by sophisticated software programs that require high-speed computing and extensive data storage. These new machines are now available and affordable because the costs of computing have plummeted, and because capital goods makers have had time to learn how to harness cheap computing power by developing the applied software needed to run the machines. Thus the performance improvement in valve production has come about partly as a result of high levels of new investment, but also because the information technology imbedded in all new machinery enables these machines to perform at rates previously unachievable.

The result of this integration of computers into steelmaking has been a significant improvement in performance. Together with other technological changes, such as larger furnaces and improvements in casting practices, and the closing of older, inefficient plants, the new technologies have also contributed to higher product quality and productivity. Steelmakers today use less than 4 worker-hours to produce a ton of steel, down from about 6 worker-hours in 1990. The best-performing mills have achieved results of less than 1 worker-hour per ton.

Service industries, too, have harnessed information technology to change the way they do business. The trucking industry is using the new technology to better serve its customers' logistics needs. To be efficient, trucking firms must satisfy customers with prompt pickup and delivery of loads while minimizing unused capacity in the form of both idle equipment and empty and incompletely loaded trips. By coordinating information from many shippers and consignees in a geographical area, firms can reduce wasted movement. To track and dispatch trucks efficiently, they use sophisticated locating technology, such as the satellite-based global positioning system; real-time traffic, weather, and road construction information; computers on board the trucks themselves; complex software and algorithms; and supporting hardware to organize customers and loads. The ability to effectively use information to manage shipments not only contributes to efficiency but also enables other innovative processes such as automated exchange of information.

Banks have also used new technologies to improve their processes. In the mid-1990s retail banks introduced imaging technology to process checks more efficiently. Digital images of checks are stored on a central computer and scanned by software that reads the amounts on the images. Checks are then balanced against deposit slips automatically. Introducing this technology has freed employees from having to record check amounts manually, lowered transactions costs by eliminating the need to move checks physically, and allowed banks to reorganize their workflow around a more extensive division of labor.

Complementary Changes in Organizational Practices

To fully realize the performance gains from the applied use of information technology, firms often must make complementary changes in organizational practices. For example, the information that the new technology puts in the hands of production line operators is valuable only if those operators have the authority to use it to make decisions about the operation of the line. The move to place greater decisionmaking authority in the hands of line personnel is one key example of an organizational change that complements the adoption of information technology and enhances its value. Another

complementary change is in the incentives that operators and other employees have to use information to make better decisions.

There is evidence that in the last 10 years more firms have placed greater decisionmaking authority in the hands of the average employee. The growth of processes to increase employee involvement and the delegation of decisionmaking to the shop floor, for example through off-line problem-solving teams or self-directed work teams, indicate how line employees are performing functions that used to be retained as management prerogatives. A survey of manufacturing establishments found that the share of establishments adopting at least one employee involvement practice (defined as quality circles, job rotation, teams, or total quality management) rose from 65 percent in 1992 to 85 percent in 1997. The share of establishments reporting the use of multiple employee involvement practices rose from 37 percent to 71 percent over the same period. As employees take on more responsibility and are involved in more complex production processes, a greater premium is placed on skills and cognitive ability. One study showed a rapid increase during the 1980s and 1990s in the proportion of the labor force engaged in tasks requiring interactive or analytical skills, as opposed to tasks based more on following prescribed rules. Thus firms have an incentive to undertake more extensive screening of prospective employees and provide more continuing education and training to those on the payroll. Job rotation can serve as another way of improving employees' understanding of the firm's processes, thereby enhancing their ability to solve problems and improve productivity.

Much of this shift in decisionmaking authority to production workers began before the recent surge of investment in information technology. In the 1980s the high performance of Japanese manufacturing and the competitive threat it posed led many U.S. firms to experiment with or adopt Japanese-like practices. These practices have become even more valuable as firms have made large investments in information technology that complement their human resource investments.

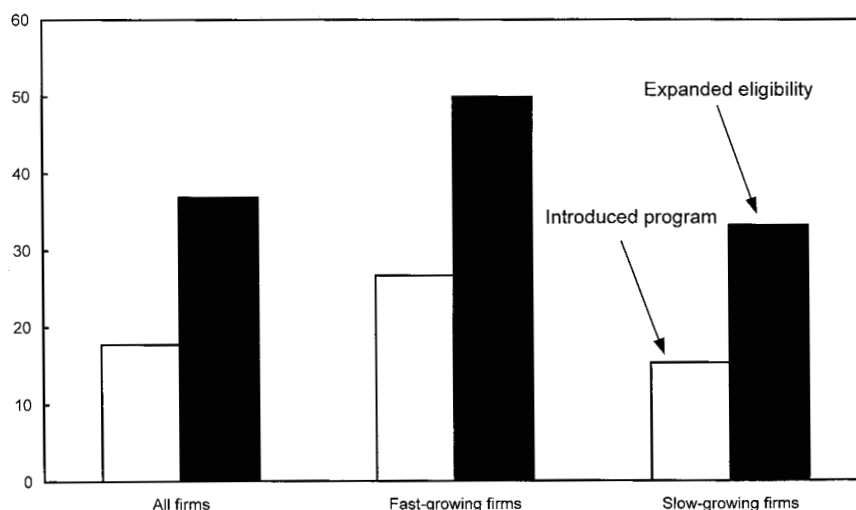
A second major complementary change is the greater use of performance-based pay. Various incentive pay schemes—from production-based pay to profit sharing to stock option plans—have been designed to improve employee motivation. A 1998–99 survey found that 63 percent of respondent firms used some form of variable pay for nonexecutives. Between 1987 and 1999 the use of profit sharing and other performance-based incentives at Fortune 1000 firms increased from 26 percent to over 50 percent. These incentives perform two functions. First, they motivate employees to improve firm performance, because the employees share in the resulting monetary rewards. Second, they provide a screening function, as more highly skilled and more motivated employees are more likely to be willing to work in firms

where pay is based on performance. One study of finishing lines in the steel industry found that lines with a set of supporting innovative work organization and incentive practices reduced downtime by 7 percentage points.

Stock option grants are a particularly important form of incentive pay. They have been a part of executive compensation for years, but grants for nonexecutive personnel are a relatively new phenomenon. Although only 5 percent of all nonexecutive employees in publicly held firms received stock option grants in 1999, the proportion rises to almost 27 percent for those earning more than \$75,000 a year. Moreover, the use of this compensation vehicle appears to be diffusing rapidly. A 1998 survey of 415 firms found that 34 percent had some type of stock option plan for nonexecutives. Although this was not necessarily a representative sample of all U.S. firms, other studies reach similar findings. This study also found that, of the 88.4 percent of firms that reported the use of any type of variable pay, 17.7 percent indicated that they had introduced a stock option plan within the past 2 years (Chart 3-11); 8.2 percent reported introducing profit sharing, and 13.8 percent offered bonuses. Eligibility for stock options was also broadened more rapidly than were plans for profit sharing or bonuses. A study of 125 firms that accounted for about 75 percent of 1997 market capitalization of firms in the Standard & Poor's 500 index estimated the value of these grants at about 4 percent of total compensation in 1998.

The use of stock options is spreading, especially at fast-growing firms.

Chart 3-11 Firms Introducing or Expanding Nonexecutive Stock Option Plans, 1996-98
Percent of firms surveyed



Source: David Lebow, Louise Sheiner, and Martha Starr-McCluer, "Recent Trends in Compensation Practices," Federal Reserve Finance and Economics Discussion Paper, 1999.

The use of stock options appears to be highly concentrated in the high-technology sector. Stock options might be a preferred method of compensating workers in high-technology firms because they allow firms with low current (but high expected future) cash flows to offer higher compensation than they otherwise could. Stock options may also elicit greater worker effort and productivity by tying the worker's compensation to the firm's long-term performance. There is little actual evidence, however, on the performance effects of stock options. One study did find that the presence of an employee stock ownership plan or a stock option plan increases labor productivity at the establishment level, after controlling for other aspects of workplace practices and establishment attributes. Another study found that, after controlling for firm size and industry classification, sales per worker in 1997 were higher in firms that had implemented a broad-based employee stock option plan. However, it is too early to draw firm conclusions on the net effects of options on compensation, especially because the expansion in their use came at a time when stock prices, and hence the value of stock options, were increasing. The effect of employee stock option plans may be substantially different when stock prices are flat or falling.

Significant changes in human resource practices have been documented in several other industries, including steel, automobiles, apparel, and customer call centers. These changes have allowed firms to make better use of the new information technology that has recently become available.

Changes in Firm Boundaries

Information technology, along with the complementary human resource practices just described, has also had important effects on firm boundaries in many industries. (A firm's "boundary" is simply the line between the set of activities a firm performs for itself and the set of activities that it pays other firms to perform for it.) Vertical boundaries describe the firm's relationships with its suppliers and its customers: vertically integrated firms manage their own supply lines and have their own marketing and distribution networks, whereas firms that are not vertically integrated prefer to purchase supplies from independent dealers and to contract out their marketing and distribution to retailers. Horizontal boundaries describe the firm's relationships with its rivals: some markets are dominated by a few large, horizontally integrated firms, whereas in others many smaller firms compete for customers.

Information technology has frequently led to tighter, more closely integrated relationships between firms and their suppliers and between firms and their customers, without necessarily leading to full vertical integration. Indeed, the declining cost of exchanging information between firms has led many firms to outsource functions previously performed in house. At the same time, information technology has led to substantial consolidation in

industries such as telecommunications and financial services, representing an increase in horizontal integration, although in some cases changes in regulation and competition have been more important motives for consolidating.

Supplier Relationships

Today's consumer goods pass through complex supply chains, which the application of information technology can make more efficient. In many industries today, the supply chain involves a number of firms performing a variety of distinct functions, all of which are necessary to bring a product to market. These firms may create or extract primary materials, design and assemble those materials into more complex components, transport intermediate and finished products, or offer them for sale to the consumer. The efficiency of this system depends on the speed with which it delivers final products to consumers, the amount of inventory that is locked up in the supply chain at any given time, and, of course, the efficiency of each firm in the chain.

Information technology, combined with changes in business practices, has enabled firms to reduce costs and increase efficiency in their supply chains, as is evident in retail trade. In the retail sector, sharing of point-of-sale data between a firm and its suppliers, a practice that received considerable attention in the 1980s, has become increasingly widespread, improving the flexibility and efficiency of distribution systems and lowering costs for consumers. For example, over 97 percent of grocery stores now use scanners to collect point-of-sale data. Efficient customer response (ECR) systems that share this point-of-sale data with suppliers to improve the efficiency of the supply chain were introduced in 1992. These systems take into account customer demand in an individual store as well as the complete economics of the supply chain. One recent study showed that ECR adoption was associated with higher productivity: firms that had gone further in their efforts to adopt ECR had higher sales per labor hour and per square foot and turned over their inventories more often than other firms. The study was not able to establish the direction of causation, however. In many industries these changes have redefined, or promise to redefine, the relationship between a firm and its suppliers.

More drastic improvements in efficiency, driven by Internet technology, are occurring in other industries. In some cases, new firms have entered the market to simplify complex purchasing processes. For example, in the highly specialized life science research supply business, scientists at tens of thousands of different laboratories in hundreds of firms and universities purchase over 1 million distinct products manufactured by hundreds of firms to conduct their experiments. For a laboratory scientist, ordering these products has traditionally involved searching through 500-page catalogues from multiple suppliers, filling out forms to send to the purchasing department, and faxing

or phoning in an order. The typical cost of processing orders in this way, including paperwork and employee time, has been estimated to be around \$100 per order. Using the Internet, one firm has created an on-line marketplace with over 1 million products and has streamlined the ordering process and the interface between the purchasing department and the scientist. This technology promises to reduce the total cost of placing an order to about \$10.

On-line business-to-business (B2B) exchanges have emerged to seek even greater efficiencies in the industrial procurement process. Some of these exchanges are industry-specific, whereas others offer a broad range of industrial products, commodities, and services to multiple industries. B2B exchanges offer a range of transaction tools, such as auctions, centralized clearing for payments, credit information about trading partners, and other custom services that allow greater efficiency in procurement. One on-line exchange claims to have saved customers \$2 billion during its 5 years in operation. An on-line exchange for the steel industry boasts a clientele of 220 mills, 647 service centers, 909 fabricators, 352 distributors, and 626 trading companies.

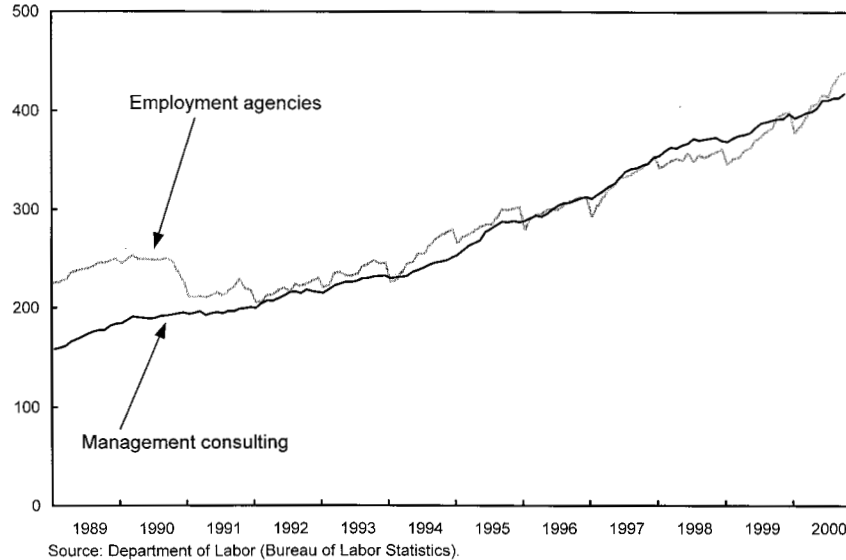
One market research firm estimates that B2B sales over the Internet rose to \$200 billion in 2000, from about \$40 billion in 1998. Projections vary widely but tend to agree that this dramatic growth will continue in the near future. The efficiencies of B2B commerce are likely to extend the performance gains already realized in aggregate inventory statistics. Inventories in a wide range of industries have fallen steadily over the past decade, with significant declines in apparel and department stores and among manufacturers of industrial and electronic goods. For example, in the early to mid-1990s, firms in the apparel industry reduced their inventories by an average of 1.2 percent per year, and their inventory-to-sales ratios by an average of 5.2 percent per year, by adopting information technology and a modular, team-based system of production that improved flexibility.

Many firms are outsourcing, or contracting out, functions they previously performed themselves. Indeed, outsourcing has grown rapidly. Between January 1993 and October 2000, employment agency payrolls grew 99 percent, and management consulting services grew about 94 percent (Chart 3-12), while economy-wide employment growth was a much smaller 20 percent. Firms routinely outsource strategic development and the management of their information technology, human resources, and facilities operations to firms that specialize in these functions.

Firms choose to outsource for any of several reasons. Contractors that specialize in a particular function may have competitive advantages in performing these functions relative to in-house staff and service groups, and reducing operating costs is one of the most frequently cited reasons for outsourcing. Contracting out can contribute to a firm's productivity in other ways. By letting others provide services that are ancillary to the company's

Providers of outsourced services are employing more and more people.

Chart 3-12 Employment in Management Consulting and Employment Agencies
Thousands



primary business, outsourcing allows management to focus its effort on doing its core business better. In addition, outsourcing provides firms with access to expertise that would be costly and time-consuming for the firm to recruit and bring on staff. This expertise can also bring in new ideas and innovations learned from other firms in the industry or beyond. Finally, firms can use outsourcing to achieve greater flexibility: they can quickly access capabilities as needed and with less investment in physical plant and less overhead. At the same time, however, outsourcing carries risk for firms and for their employees. Management may lose control of key operational functions or skills. And some temporary employees may be paid less than regular employees and be less likely to receive benefits such as health insurance.

Firms have other choices besides outsourcing and in-house production. They can engage in strategic alliances, which are long-term agreements between firms to share facilities, expertise, and other resources to accomplish joint goals. U.S. firms have been particularly active in this area, accounting for about half of all alliances among firms based in OECD countries during the 1990s. Strategic alliances, like other long-term contracts, allow firms to combine some aspects of their operations without incurring the costs of full integration. For example, an alliance with a key supplier can help stabilize the supply chain, whereas a marketing alliance may allow firms producing complementary products to pool their resources for greater joint gains. (A movie studio might form an alliance with a fast-food restaurant chain to promote a new release, for example.) Also, as discussed earlier in this chapter,

firms may ally in order to develop a new technology or to exchange existing technical capabilities.

Customer Relationships

Information technology has also enabled firms to communicate more closely with their customers, and thus to be more responsive to customer preferences and to produce goods and services that reflect those preferences. Firms are using information technology in a number of ways to improve marketing and customer service. As the costs of computing and data storage have fallen, firms' efforts have shifted away from mass marketing, in which each potential consumer receives the same message, to more interactive marketing (sometimes called micromarketing). Interactive marketing uses information about a customer's prior purchase behavior, credit history, location, and income to provide that customer with information about products he or she might be likely to purchase. Database technology has made this type of marketing feasible on a broad scale. On-line book and music retailers now provide their customers with real-time recommendations for additional purchases based on the customer's purchase history, and grocery stores use customer data to tailor the choice of cents-off coupons offered at checkout. The same database technology, combined with reduced costs of communication, has enabled firms in a number of industries to provide customer service at lower cost over the phone. Firms in industries from telecommunications to financial services to consumer goods have established telephone call centers to handle customer questions and to provide product support. Information technology allows these centers to be based almost anywhere in the world, and service representatives at these centers to access the entire history of a customer's account during the call. The ability to store and retrieve these data quickly has made customer information a strategic asset, one that firms are increasingly looking to take advantage of.

The Internet is radically altering how producers and sellers of consumer goods interact with their customers. A manufacturer or retailer can now communicate with customers anywhere in the world at relatively low cost. A number of firms have taken advantage of this capability, offering products and product information via the Internet. Consumers with access to the Internet can now do comparison shopping at very low cost before leaving the house or placing an on-line order. Internet sales to consumers reached \$17.1 billion in the first three quarters of 2000 (but still account for less than 1 percent of all retail sales). The Internet has also created whole new transaction mechanisms, such as on-line auctions. A significant fraction of all Internet consumer auctions are for secondary goods and remainders. This suggests that total trade in these goods may be on the rise.

Market Structure

Technology has also affected the structure of many markets, making some more highly concentrated while leading others to become more fragmented. Markets for many software products and information services, for example, have been dominated by big players with large market shares. Ownership of a particular technology standard is often an important source of competitive advantage if that technology cannot be imitated, and this can lead to market concentration. In the United States, information technology standards are often established in a decentralized manner, through the free play of the market, rather than through a centrally coordinated effort. Markets with strong network effects are often characterized by “tipping.” When it becomes apparent that one technology has a large enough lead, the market may “tip,” with nearly all new consumers from that point forward adopting the dominant technology. In such winner-take-all (or winner-take-most) markets, a firm faces crucial decisions about whether to make its product compatible with past and future generations of products, and whether to base its product on open or proprietary technology. Intense early competition to build a base of loyal users may result. Firms may also use strategic product preannouncements to establish a stake in a new market and head off competition.

This propensity of markets with network effects to tip poses challenges for regulators and antitrust authorities as one or a few firms begin to dominate. It also encourages cooperation among competitors within an industry to promote a standardized technology. In cases where formal alliances or joint ventures are created, the costs of developing intellectual property are often shared, as are marketing expenses. As the U.S. legal code and U.S. antitrust authorities have recognized, such collaboration need not preclude vigorous competition in the product market.

In industries such as telecommunications, energy, and financial services, many markets have become more concentrated as firms combine their operations through mergers and acquisitions. In financial services the primary sources of structural change have been information technology and deregulation. For instance, ever since passage of the Bank Holding Company Act of 1956, geographic restrictions on banks have been slowly lifted, enabling them to expand gradually across State lines. Although barriers to interstate banking were not completely removed until the enactment of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, regional and interstate pacts enabled bank holding companies to operate across State lines. One study estimates that, by 1994, a bank holding company in a typical State had competitive access to nearly 70 percent of U.S. gross domestic banking assets.

As banks have expanded, they have also begun to consolidate. Over a third of all banking organizations nationwide disappeared between 1979 and 1994, even as total banking assets continued to increase. Between 1988 and 1997 the numbers of stand-alone banks and top-level bank holding companies both fell by almost 30 percent, while the share of U.S. banking assets held by the top eight banking organizations rose from 22.3 percent to 35.5 percent. In 1998, 4 of the top 10 U.S. “mega-mergers,” based on market value, occurred in financial services. These changes are not confined to the United States: two Japanese bank mergers currently pending will create the two largest banks in the world, with about \$2.5 trillion in assets between them.

Deregulation is thus an important spur to geographic diversification and consolidation. Past geographic restrictions on competition may have allowed inefficient banks to survive, and consequently the gradual removal of these restrictions has transformed the structure of the industry. One study shows that bank efficiency improved substantially as restrictions on intrastate branching and interstate banking were removed. As a result, the share of deposits held by subsidiaries of out-of-State bank holding companies increased from 2 percent in 1979 to 28 percent in 1994. Meanwhile, the Glass-Steagall prohibition on combining commercial and investment banking in the same enterprise is slowly being lifted. In 1987 the Federal Reserve Board began permitting bank holding companies to engage in limited nonbank activities through so-called Section 20 affiliates. Section 20 activities were originally limited to 5 percent of a subsidiary’s total revenue, but the limit was raised to 10 percent in 1989 and 25 percent in 1996.

In 1999 many of the Depression-era restrictions on banks were formally removed with passage of the Financial Modernization Act (also known as the Gramm-Leach-Bliley Act). This legislation lifts these regulatory barriers by creating a uniform regulatory framework governing affiliations among different financial services institutions, and by expanding the range of investments available to these firms. The new law allows banks, security firms, and insurance firms to affiliate under a new rubric, that of a financial holding company. By November 2000, 456 such companies had been formed, with assets totaling 13 percent of all U.S. financial sector assets.

Expansion, consolidation, and diversification can bring about performance improvements by allowing financial institutions to realize economies of scale. These scale economies are largely driven by innovations such as new financial instruments, new risk management techniques, automatic tellers, improved back-office operations, phone centers, and Internet banking. Recent evidence indicates that bank efficiency has indeed improved, particularly when new banking organizations have been created through mergers and acquisitions. Large banks have also made significant improvements in their abilities to manage risk; the costs of financial distress, bankruptcy, and loss of charter

have been reduced. Moreover, despite fears that large banking organizations would focus exclusively on large customers, bank mergers and acquisitions have not adversely affected small business lending. The Department of Justice's Antitrust Division, along with the Federal Reserve Board, is careful to consider the impact of mergers on the communities to be served before approving any reorganization.

Explaining Changes in Firm Boundaries

As these examples have shown, firms are tightening some supplier and customer relationships, outsourcing other aspects of their operations, and in many cases consolidating business activities with former rivals. These and other changes in firm boundaries are best understood within the contractual framework associated with the Nobel Prize-winning economist Ronald Coase. Coase was the first to explain that the boundaries of an organization depend not only on its productive technology but also on the costs of transacting business. In the Coasian framework, the decision whether to organize transactions within the firm or on the open market—the make-or-buy decision—depends on the relative costs of internal and external exchange. Use of the market mechanism entails certain costs: discovering the relevant prices, negotiating and enforcing contracts, and so on. Within the firm, entrepreneurs may be able to reduce these transactions costs by coordinating these activities themselves. However, internalizing brings other kinds of transactions costs, namely, problems of information flow, preserving incentives, monitoring effort, and evaluating performance. The boundary of the firm, then, is determined by the trade-off, at the margin, between the relative transactions costs of external and internal exchange. In this sense a firm's boundaries depend not only on technology but also on organizational considerations, that is, on the costs and benefits of various contracting alternatives.

The above examples suggest ways in which information technology may alter these boundaries by influencing transactions costs. In the case of supplier relations, communications and coordination with suppliers is facilitated by e-mail, automated information exchange, and particularly by B2B Internet use, all of which should reduce firms' tendency to be vertically integrated. However, at the same time, information technology also reduces the costs of coordinating activities within the firm, so the net effect on vertical boundaries is ambiguous. Moreover, information technology may lead to expanded horizontal boundaries, as high-speed communications across plants in different countries now allows firms to grow as they exploit their comparative advantages in global markets. Perhaps for these reasons, it is difficult to detect any economy-wide changes in vertical or horizontal boundaries, although distinct patterns are discernible within particular industries.

Competition and Strategy

Firms face a variety of strategic decisions. So far this chapter has discussed the decisions surrounding the adoption of information technology, reorganization of the workplace, and the fixing of the firm's vertical and horizontal boundaries. These and other decisions are made with the goal of outperforming rivals, that is, of achieving what the strategic management literature calls sustained competitive advantage. An important source of sustained competitive advantage is the possession of unique resources, such as firm-specific knowledge or capabilities, an installed base of users, valuable patents, or a popular proprietary standard. In the new, knowledge-based economy, such intangible resources have become increasingly important.

Intangible Capital

Success in the New Economy relies on intangible capital. In a market characterized by intensified competition (driven by globalization and deregulation) and rapid product and service innovation, corporations must innovate continuously—creating new products or services and producing them with new, more efficient processes—to stay competitive. Thus, intangible assets—organizational practices, human resources, R&D capability, and reputation—are now much more prominent features of a firm's competitive strategy, because they are the foundation for innovations that lead to success. New organizational practices provide the ability to respond quickly to new opportunities. Appropriate human resource practices, such as an emphasis on training and the design of appropriate incentives, provide firms with employees who are able and eager to recognize, create, and develop opportunities. An R&D program that is good at conceiving ideas and converting them into products provides a stream of innovations. A favorable reputation, embodied in brand names, trademarks, and customer loyalty, can provide the trust on the part of customers that encourages their acceptance of a firm's latest product innovations.

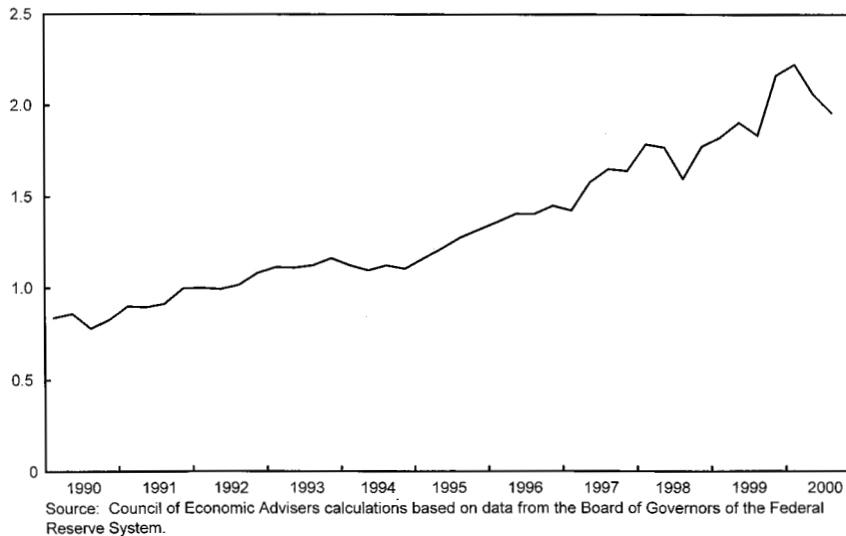
One indicator of the importance of intangible capital is what economists call Tobin's q , which is the ratio of a firm's market value to the cost of replacing its underlying tangible capital. One interpretation of a high q is that a large part of the firm's value derives from intangible capital. As Chart 3-13 shows, Tobin's q for publicly traded U.S. firms rose throughout the 1990s. This is consistent with an increasing importance of intangible capital.

Information Goods

It is said that information, not tangible products, is the most important economic good in the New Economy. Of course, so-called information goods, from books, music, and television programs to the yellow pages and real-time stock quotes, have long been important to the U.S. economy.

The increase in the market value of firms relative to the value of their physical assets suggests that intangible assets such as knowledge have become more important.

Chart 3-13 Tobin's q in the Nonfinancial Corporate Sector
Ratio of market value to replacement cost



During the last decade, however, innovations in duplication, storage, and transmission have sharply reduced the cost of delivering information goods to consumers. These falling costs have led to increased entry by firms seeking to deliver new information products and have led incumbent firms to revisit their strategies for maximizing the value of the information they create and distribute.

The production of information tends to be characterized by high fixed costs and low variable costs; computing and the Internet reduce the latter nearly to zero. When consumers' preferences are relatively similar, markets for information goods may be highly concentrated. For example, few markets are served by more than two yellow pages providers. However, when consumers' preferences vary widely, multiple producers may enter the market and find it profitable to focus on small groups of consumers. For example, although the major television networks still account for over half of viewership in prime time, hundreds of other cable television channels now cater to specific viewer tastes.

The low cost of distributing information via the Internet has led information providers to rethink yet again their strategies for reaching consumers. Many magazines and newspapers now offer free on-line versions of their paper products. Some of these firms offer additional unique on-line content for free; others offer premium services such as customized content for an additional fee. Some information providers have integrated with distribution channels such as cable operators and even Internet access providers, whereas others have chosen to remain independent.

Internet Retailing

For retailers and manufacturers of branded consumer goods, the Internet has created a whole new distribution channel. This has raised significant issues about how to compete, especially for firms with investments in physical distribution infrastructure. For manufacturers that have traditionally sold through intermediaries such as department stores or specialty retailers, the Internet makes direct sales to customers possible. However, for these firms to sell directly through the Internet, they must undertake activities that are new to them, such as retail billing, order fulfillment, delivery, and handling of individual returns. The potential profits from additional sales at retail prices must be measured against the cost of developing these new capabilities and against potential loss of sales through existing channels. A major sports apparel producer now sells through four different channels: sporting goods stores, department stores, company-owned stores, and the Internet. For traditional bricks-and-mortar retailers, on-line sales may compete directly with their own retail business. This has led some firms, such as one large book retailer, to separate their on-line and bricks-and-mortar operations in order to offer greater flexibility to both. Other retailers have chosen hybrid strategies, allowing customers to buy on line but funneling all returns and customer service through existing stores. Some bricks-and-mortar retailers have forged partnerships with on-line retailers to satisfy the needs of on-line shoppers.

Understanding Performance Gains

This chapter has documented the extensive changes in firm organization and strategy brought about by technological change. Ultimately, however, to explain the effects of information technology on the aggregate productivity gains reported in Chapter 1, these technological and organizational improvements must be linked to realized performance gains. Fortunately, new studies are beginning to document the performance effects of information technology and associated organizational changes at individual plants and firms. This evidence strongly supports the idea that the new technology, when combined with the appropriate organizational structures, has improved performance, and did so especially in the 1990s.

How Do Technology and Organizational Change Improve Performance?

As already emphasized, investments in information technology work best when combined with complementary changes in business and production

practices. Performance improvements are most likely to be realized when firms couple these investments with changes in basic business practices, such as in job design, organizational structure, and interactions with customers and suppliers, and changes in human resource practices, such as in incentives and decisionmaking authority, that are designed to allow employees to use the new technology most effectively. Differences in the patterns and rates at which plants adopt these complementary practices may explain why the productivity effects of investments in information technology did not come immediately and still have not been realized by all firms.

The lag and variability in productivity gains after investing in information technology may be due to the time it takes for employees to adjust to the new technology. Implementing automated equipment initially causes disruption, as employees must learn new practices and understand that the operating procedures and priorities in place under the old technology may not be appropriate with the new technology. Introducing the newly needed skills into the work force—either by retraining or by hiring new workers with the appropriate skills—takes time, and productivity can fall during the transition. For instance, the introduction of electronic controls into automobile engines, transmissions, and auxiliary equipment and the development of computerized diagnostic equipment forced some mechanics to learn new skills. Several studies note that the disruptions caused by retraining can be so severe that firms choose to implement new technologies in greenfield sites—newly built plants with new employees who do not have to unlearn the old practices.

A second reason for the lag and variance is the need to match organizational structure to technological capabilities. In particular, giving employees authority to make decisions on workflow and machine scheduling, structuring employee compensation systems to align employees' interests with those of the firm, and implementing teamwork structures that effectively use employee skills all can increase the productivity of information technology. Those plants that adopt complementary human resource practices along with information technology tend to see greater performance improvements. For example, precision metal-cutting plants that redesigned work responsibilities to allow the operators to perform program editing were found to be 30 percent more efficient than plants where no production workers were given these responsibilities.

Research on information technology–related productivity at the firm level is difficult, in part because investment in the new technology is difficult to measure. However, a few studies have assessed the impact of such investments at the firm level. These also suggest that information technology, when combined with complementary human resource practices, can lead to performance gains. One study of the use of information technology in a nationally representative sample of over 1,600 firms found that increasing the share of

the production work force that uses computers from 10 percent to 50 percent increased labor productivity by 4.8 percent. When increased computer utilization was coupled with profit sharing and implementation of employee involvement practices such as self-managed teams, labor productivity rose by another 6 percent in nonunion plants and 15 percent in union plants. Another study, this one of service and sales teams at call centers, found that self-managed teams improved sales productivity by 9.3 percent, and introducing new technology improved it by 5.3 percent. But when new technology and self-managed teams were combined, the result was an additional 17 percent rise in productivity above and beyond the individual effects. Although these studies cannot establish definitive causal relationships, the examples described in this chapter strongly suggest that information technology, when combined with appropriate organizational practices, can improve performance.

The Dynamics of Market Competition

The New Economy is characterized by both high profitability and high risk. Over a hundred new e-commerce startups have already shut their doors. Others, however, have made inroads against the established firms in their industries, and some have even transformed their industries.

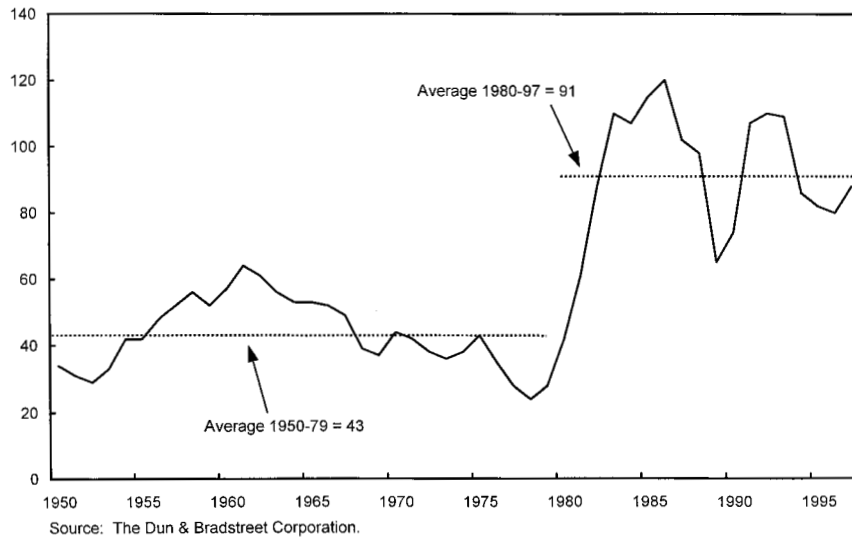
Competition and Creative Destruction

Market competition is a dynamic process whereby entrepreneurs constantly launch new companies to challenge existing ones, occasionally replacing them but just as often failing. This process—what the economist Joseph Schumpeter called creative destruction—is apparent in the U.S. economy today. As Chart 3-14 shows, the remarkable growth of the U.S. economy in the 1990s brought no reduction in business failures. Throughout the current expansion, business failures have hovered near their post-1980 average.

As these statistics suggest, today's firms are subject to remarkably intense competitive pressure, from both domestic and foreign sources. Nonetheless, corporate profits have exhibited strong growth, rising in real terms at a 5.7 percent annual rate from 1993 through mid-2000. This compares more than favorably with the period between 1980 and 1992, when real corporate profits rose at a 2.2 percent annual rate, and with the period between 1950 and 1992, when real corporate profits rose at a 3.2 percent annual rate (Chart 3-15). In short, a high rate of business failure is not necessarily a sign of economic weakness. Rather, it may simply reflect the market-driven process of shifting resources and adjusting the structure of production to meet consumers' changing needs.

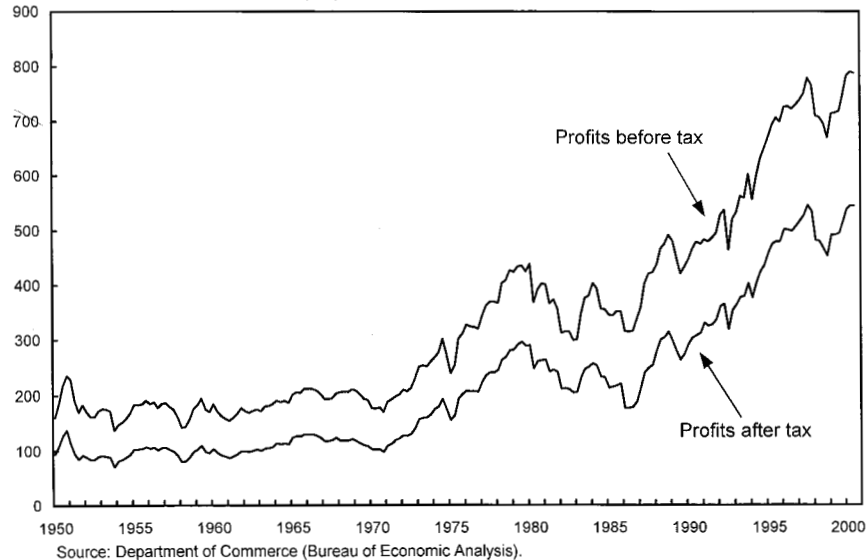
The rate of business failures remained high in the 1990s even as the economy grew, reflecting a dynamic, competitive market economy.

Chart 3-14 Business Failures
Number per 10,000 listed concerns



Real corporate profits rose dramatically in the 1990s.

Chart 3-15 Real Corporate Profits
Billions of chained 1996 dollars (seasonally adjusted annual rate)



The Impact of Globalization

Along with the technological and organizational changes that this chapter has described, increasing global trade has made markets more competitive, with dramatic effects on firm behavior and performance. If a firm is exporting and competing in a variety of markets, it might be forced to improve its performance in order to penetrate overseas markets with strong domestic suppliers. Likewise, an increase in imports may lead domestic industries to search out ways to be more efficient, ultimately making them better at competing with foreign producers.

Evidence from the manufacturing sector suggests that good firms become exporters. Less clear is the answer to the opposite question: does exporting make a firm better? At the firm level there appears to be no significant causal link between exports and productivity. Microeconomic evidence from the Republic of Korea and from Taiwan reveals few industries where it can be argued that exporting alone aids performance. However, aggregate data show a correlation between trend productivity and export demand: an economy that exports more will likely have higher aggregate performance than one that exports less. This relationship appears to be stronger for high-technology industries. Nonetheless, the effect is smaller than that found for an equivalent increase in domestic demand. It could be that firms find it difficult to meet a wide variety of foreign regulations and satisfy a wide range of foreign preferences while maintaining efficiency.

Increased import competition is also associated with an increase in trend productivity. Combined with the observed link between export demand and productivity, this suggests that the economy as a whole allocates resources better when subjected to global competition. In part, this may be because imports spur imitation and innovation: a new foreign good introduced into the United States creates new demand, which challengers then seek to capture or duplicate with products of their own. Evidence from Japan suggests that it was import competition, not increased exports, that boosted the Japanese economy during its high-growth period from 1964 to 1973. A study of the aftermath of Chile's massive trade liberalization in the 1980s found that productivity in import-competing firms improved an average of 3 to 10 percent more than that in firms producing nontraded goods.

Conclusion

Technology has been a driving force behind the performance gains that are associated with the New Economy. With advances in information technology, firms have accelerated their investments in the new technology. It appears that sustained investment in information technology began to pay off

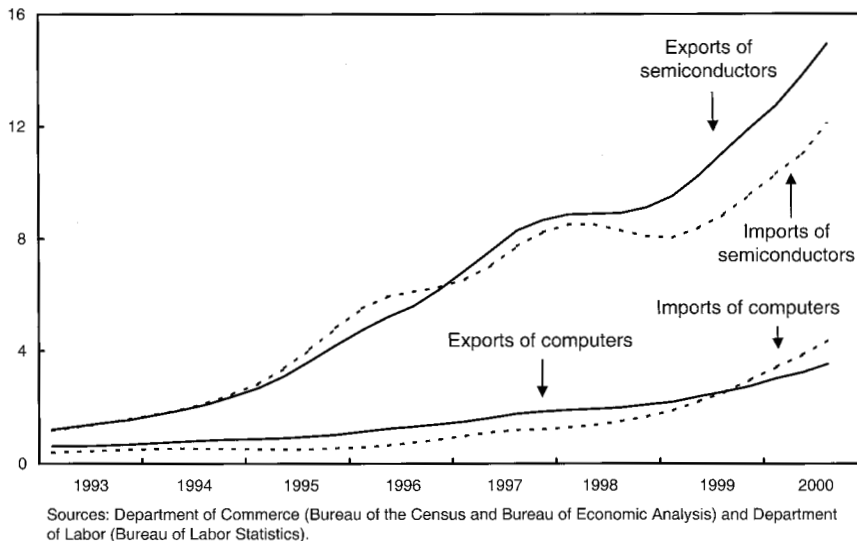
handsomely in the 1990s, in the form of higher productivity within and across sectors. But it takes time for firms to realize these performance gains. They must first integrate information technology into their business or production processes, often through the development of highly specialized software. They also face important organizational and strategic choices about the best uses of new technologies and the increased availability of information. At the same time, increasing global competition and deregulation have given firms the incentives and the opportunities to seek ways of accelerating their performance.

Not all firms will be equally successful at implementing technological and organizational changes, and cyclical factors will diminish the gains at times. As discussed above, new firms have been important drivers of change, particularly in the information technology sector. However, innovation is by nature a risky endeavor, and many new ventures will fail. Equity values will continue to fluctuate. Entrepreneurs, investors, and workers must be prepared for the disturbances that typically accompany economic change. Moreover, the economy as a whole will continue to experience the rise and fall of the business cycle, making underlying productivity trends difficult to discern.

Although the impressive performance of the New Economy is ultimately due to the creativity and hard work of market participants, U.S. policies have helped create an environment that encourages entrepreneurship. The United States places relatively few restrictions on the movement of capital and labor, so that firms and individuals can respond when profit opportunities arise. The United States also imposes relatively low tax rates, so that individuals can realize the rewards of their innovation and effort. Extensive and relatively unfettered capital markets in the United States give entrepreneurs access to the financial resources they need to innovate. The U.S. government has practiced fiscal restraint, reducing interest rates and freeing capital for private sector use. And U.S. policies have provided direct support for R&D, along with indirect support through tax incentives for private sector investments. These policies have proved extremely valuable to firms and industries, and it is essential that they be continued.

The New Economy in a Global Context

Trade in Computers and Semiconductors
Billions of 1999 dollars, four-quarter moving average



Globalization has opened foreign markets to U.S. producers of information technology goods and expanded U.S. purchases from abroad.

Participation in the global economy has made a vital contribution toward U.S. economic performance. It is no coincidence that a New Economy has emerged in the United States at the same time that our involvement in the global economy has reached new heights. Indeed, globalization and the recent advances in information technology at the core of the New Economy are inextricably linked. On the one hand, globalization has played a crucial role in promoting the technological innovation and investment and facilitating the organizational restructuring that built the New Economy. On the other hand, improvements in information technology have spurred deeper integration between the United States and the world economy.

An increasingly open global economy—which the policies of this Administration have helped promote—boosts innovation in several ways. First, it makes available the expanded markets that yield the scale economies so important for activities that require large up-front research and development expenditure. Second, it gives producers access to key imported components and machines at lower prices and in greater variety. Importing these goods allows U.S. innovators to concentrate on activities that make the best use of their knowledge and skills. Third, by heightening competition,

globalization spurs not only innovation but also the adoption of new technologies. This in turn creates still larger markets for innovative goods and thus greater rewards for those who innovate. In addition, the availability of information technologies facilitates the global reorganization of production and the continued increase in trade. It allows multinational firms to coordinate their activities and to manage supply chains on a global scale. It also brings increased numbers of buyers and sellers into global markets. Globalization has also helped support the high rate of investment that has played an important role in the current economic expansion. Increased capital flows into the United States have made it possible to maintain investment in excess of domestic saving.

An example of the importance of global markets can be seen in the increased production and use of computers in the United States in recent years. Domestic purchases of computers, peripherals, and parts grew at an annual rate of more than 12 percent from 1993 to 1999, far outstripping growth in the value of domestic shipments of these goods, which averaged only 9 percent. Filling the gap has been a rise in imports, which now account for more than 60 percent of the value of new U.S. computer purchases—nearly twice the level in 1987. At the same time, half of U.S. computer shipments are exported. The United States gains in both directions from this two-way trade in computers and parts. U.S. computer firms can lower their costs by obtaining components from efficient foreign producers, and later profit from selling finished computers in the larger global market. At the same time, lower prices for computer imports are good for consumers and for businesses.

In an age of international economic integration, continued success in the United States requires effective engagement with the global economy, strengthening international connections and building larger markets overseas. At issue is not whether we should welcome the emergence of a truly global market economy, but rather what kind of global market economy we should work to build. To ensure that globalization proceeds in a constructive way, the policies of the Administration have sought to make international institutions both more effective in helping to maintain global economic stability and more transparent in their operation.

This Administration has consistently stressed that making economic integration work means making it work for all people—and making sure that all voices are heard when policies are decided. Toward this end, even as it has adopted policies that promote globalization, the Administration has sought to address genuine and deeply felt concerns about its effects. These include its effects on the incomes of working people, the health of the environment, social and labor standards, and the divergence of incomes between rich and poor countries across the globe. The goal has been to foster an interconnected global economy that both increases prosperity and provides genuine opportunity for people everywhere.

The Role of Trade Liberalization in Promoting Globalization

Trade policy has been an important factor in our prosperity here at home. The focus of this Administration has been on fostering a world of open markets governed by the rule of law, in which lower tariff and nontariff barriers allow all countries, including the United States, to enjoy the benefits of increased trade and investment. The achievements of the past 8 years include numerous international agreements—over 300 in all—that have liberalized both trade and investment, helping to ensure that foreign markets are open to U.S. exports. Among these are a number of especially notable accomplishments, including passage of the North American Free Trade Agreement (NAFTA), completion of the Uruguay Round of multilateral trade negotiations, enactment of legislation to extend permanent normal trade relations to China, a moratorium on customs duties on electronically delivered products, and agreements to liberalize trade in such crucial technology-related sectors as telecommunications, computer technology, and financial services. In addition, the member countries of the Organization for Economic Cooperation and Development (OECD) have benefited from an agreement to reduce subsidies in tied aid export credit competition. This agreement limits the ability of countries to make the financial aid they offer to developing countries contingent on purchases from their domestic producers, and thus helps level the playing field for U.S. exporters. A host of other bilateral and regional initiatives have also helped create more open markets. These include initiatives that encourage trade with developing countries in Africa, the Caribbean and Central America, the Middle East, and Southeast Asia. These programs not only benefit the United States through more diverse and cheaper imports and expanded exports, but also afford developing countries an important opportunity for growth through increased access to the U.S. and other markets.

The trade agreements to which the United States has been a party nearly always result in a lowering of barriers on both sides, but typically it is the foreign barriers to American firms operating abroad, rather than barriers to foreign firms in U.S. markets, that fall the most. This is true for the simple reason that, in nearly all cases, the U.S. barriers were lower to begin with. This was the case with both the Uruguay Round agreement and NAFTA, both of which removed substantial impediments to U.S. exporters. Similarly, the bilateral agreements concluded with Japan under the 1993 Framework Agreement and the 1997 Enhanced Initiative on Deregulation and Competition Policy have helped eliminate obstacles to U.S. exports to that country, in the form of border barriers and domestic regulations that unnecessarily hindered trade and investment. Opening foreign markets can

stimulate exports by providing firms with a larger arena in which to sell their goods and services. For example, one result of China's recent trade liberalization was that exports of U.S. oranges to that country grew from less than 350,000 kilograms in all of 1999 to more than 10 million kilograms in the first 9 months of 2000.

Trade liberalization has also focused on industries of special relevance for the improved communications and technology that are at the heart of the New Economy. Several multilateral treaties have been negotiated under the auspices of the World Trade Organization (WTO). The 1996 Information Technology Agreement eliminates tariffs on the preponderance of world trade in semiconductors, computers, software, telecommunications equipment, and other high-technology products. The Agreement on Basic Telecommunications Services, which came into force in February 1998, has already made an important start toward opening world telecommunications markets to competition. The Financial Services Agreement, which took effect in March 1999, similarly opens markets in banking, insurance, and securities transactions. This allows U.S. financial services companies to better serve overseas markets through investments in foreign banking institutions, brokerages, and insurance concerns. Work is now under way to expand these agreements to include new products and services and achieve further deregulation and liberalization. The United States stands to reap sizable gains from increased exports in these industries where U.S. firms are strong competitors. But all countries will benefit from these agreements through lower prices and the diffusion of knowledge that goes hand in hand with trade and investment.

Globalization and Economic Performance

Trade and investment spur innovation and competition and thus contribute to better economic performance. This benefits society at large through the development of new goods and technologies, through higher productivity, and ultimately through lower costs for consumers and entrepreneurs.

Scale and Network Effects

Openness to the global economy increases the size of markets. This is particularly important for the development of goods and services subject to scale and network effects, including items that are central to the New Economy, such as technology and communications. Production of these items is subject to economies of scale—that is, the average cost of production

declines with the quantity sold. Among these products are those characterized by learning curves: the more the firm produces, the more it learns how to reduce production costs, so that, on average, each additional unit costs less to produce than the one before. Scale effects are present as well for products with high fixed costs of development; because these fixed costs do not depend on the number of units produced, the average cost per unit falls as the number produced rises. This kind of cost structure describes most pharmaceuticals: developing and testing a new drug is expensive, but the cost of producing it, once the formula is known, is typically quite small. For goods like computer software and entertainment, development costs are again quite high, but the products, once created, can be reproduced relatively cheaply. Moreover, these products can be used by many consumers simultaneously without diminishing their value. The availability of a global marketplace gives firms a greater incentive to undertake the costly research and development necessary to create these kinds of products.

Globalization is similarly important in industries characterized by network effects. In most such industries, which include telecommunications, the value of the network grows as more users are added. Indeed, this value grows exponentially, in a phenomenon known as Metcalfe's law. Expansion of markets from a local or national to a global scale clearly benefits network industries. An example is the expansion of the Internet itself, which after all is a network of computer networks. As the number of global Internet users grows, the Internet becomes more valuable to all, including those who were already on line. The larger market that the growing Internet community represents provides added incentives for innovation by entrepreneurs, thus contributing to increased employment and wealth creation. The new products and services thus made available entice still more users throughout the world to seek access to the network. In this way, technology and openness combine to encourage innovation, which in turn further enhances globalization itself.

Competition and Innovation

Firms in an open global economy can choose from a broader range of inputs, thereby increasing efficiency and lowering production costs. Consumers are also made better off from access to a wider choice of goods and services. Even a large economy such as the United States benefits from greater specialization in a global economy, because it allows Americans to pick and choose from the best ideas and the most advanced and cost-efficient sources of goods from all over the world. These include not only consumer goods but also capital goods and intermediate inputs, which make our own final products more competitive.

Globalization increases the number of competitors in a market, and increased competition compels firms to continually innovate and improve their productive efficiency. For example, in the early 1980s U.S. computer firms and other manufacturers that used memory chips in their products are reported to have preferred chips from Japanese rather than American producers, because the Japanese-made chips had lower defect rates. This led the U.S. producers to study and apply Japanese quality management techniques, so that by the early 1990s their defect rates matched those of their Japanese competitors.

Changes in the Global Organization of Production

Together, competition, globalization, and technological innovation induce changes in the organization of firms and in the geographic division of production. The worldwide reach of the Internet and open access to global transportation networks make it easier for businesses everywhere to go global, by reducing the cost of setting up an international presence. Increased openness and improved communications expand the scope of the firm, allowing multinationals to apply advanced production techniques to larger markets and thus benefit from scale economies (Box 4-1). At the same time, the countries that host the multinationals' expanded activities gain from the transfer of technology and production experience that often accompanies such activity. To help ensure that the operations of multinational enterprises are in harmony with government policies, in June 2000 the OECD member countries, joined by several nonmembers, adopted a set of voluntary guidelines for multinational enterprises.

The opening of national economies and markets has given rise to global supply chains, in which production is spread across numerous locations worldwide, to take advantage of different countries' relative strengths in producing different goods and services. This again results in improved efficiency for firms and lower prices for consumers. U.S. producers of computer hard disks, for example, have kept most of their product development operations in the United States but have shifted production to countries in Asia to take advantage of low costs of raw materials there. (It turns out that this consideration is more important in this industry than low labor costs.) But they have not gone so far as to outsource assembly to independent suppliers; it continues to be done almost entirely by the U.S. firms themselves, through foreign subsidiaries. And these firms remain among the world leaders in innovation. This runs counter to the argument that manufacturing must be done at home to maintain competitiveness.

A different approach to production organization can be seen in the semiconductor industry, where the trend has been toward a split between "fabless" firms that design chips but do not operate fabrication facilities, and

Box 4-1. A New Role for Multinational Firms

Firms become multinational corporations when they perceive advantages to establishing production and other activities in foreign locations. Firms globalize their activities both to supply their home-country market more cheaply and to serve foreign markets more directly. Keeping foreign activities within the corporate structure lets firms avoid the costs inherent in arm's-length dealings with separate entities while utilizing their own firm-specific knowledge such as advanced production techniques. By internalizing what would otherwise be cross-border transactions, multinationals can bridge the information obstacles that often hinder trade. For example, they may be able to more carefully monitor product quality or worker conditions in factories they own than in those of contractors, or adapt the composition of output more quickly to changes in market conditions.

Improvements in information technology have reduced the impediments to exerting corporate control across borders. These advances have combined in recent years with an increased openness on the part of governments to foreign multinationals, as the economic benefits of a foreign presence to the host country have become more widely recognized. These benefits include the increased investment and the associated jobs and income that the multinational firm brings, as well as technological transfer and improved productivity. The role of multinationals in spreading industry best practices is likely to be especially important in services, many of which are not easily traded across national boundaries.

Evidence of the heightened role of multinationals can be seen in the quickened pace of foreign direct investment (FDI) in recent years. In 1999 FDI flows both in and out of OECD countries reached record levels: over 2.5 percent of their combined GDP for inflows and 3.0 percent for outflows. Most FDI is between developed countries: since 1982, 75 percent of FDI outflows from OECD countries have gone to other OECD members.

Multinationals are increasingly opting to acquire existing enterprises rather than develop a foreign presence from scratch. In developed countries from 1991 to 1997, cross-border majority mergers and acquisitions accounted for 62 percent of total FDI inflows in OECD countries. The value of these mergers and acquisitions rose from \$85 billion in 1991 to \$558 billion in 1998. The average size of such deals rose substantially, from \$29 million in 1990 to \$157 million in 1999. Acquiring a foreign firm offers a relatively quick route to enter a foreign market. It can also provide intangibles in the form of country-specific knowledge, including familiarity with the host-country business culture and regulatory structure.

continued on next page...

Box 4-1.—*continued*

The posts and telecommunications sector appears to be particularly fertile territory for restructuring. The value of cross-border majority mergers in this sector in the period from 1995 to 1998 was nearly 10 times that from 1991 to 1994. This reflects two factors. First, dramatic changes in technology such as the growth of mobile telephony, the Internet, and the rising importance of broadband capabilities require both increased capital and first-rate technological prowess. Firms may seek to combine in order to amass the capital and technological capabilities needed to compete. Second, a worldwide movement toward deregulation in the telecommunications industry, together with policies such as auctions of cellular licenses and the liberalization of fixed telephone networks, has allowed new entrants to compete in this once-protected sector. Complementing this, the Agreement on Basic Telecommunications Services, which took effect in February 1998, has made progress in opening global telecommunications markets to competition.

In the air transportation industry the trend has been toward global alliances rather than mergers and acquisitions. This stems from the bilateral system of route rights established under the 1944 Chicago Convention, and foreign ownership and control provisions established to protect those rights. Nonetheless, deregulation and the advent of these alliances have meant that airlines are able to serve customers through global networks. Technology has enabled these alliances to act as multinationals in some respects, with improved information technology helping to provide reasonably seamless global travel (although flights may not always be on time or provide the utmost of comfort) through the linkage of computerized reservations services. Information technology similarly allows multinational express cargo carriers to ship, track, clear through customs, and deliver goods to customers' doors—whether the address is in Beijing or New York.

“pure-play foundry firms” that produce chips from other companies' designs. Like that of hard disks, most semiconductor design is still done in the industrial countries—North America was the home of the majority of fabless firms in 1998—while production takes place mainly in Asia. This division of labor allows U.S. firms to focus on their core competencies while benefiting from improved production techniques devised by the specialized foundries. And of course, this arrangement is feasible only because new technology allows the designing firms to rapidly transmit chip designs to the foundries, because

cost-effective cargo services are available to transport finished products to markets worldwide, and because intellectual property laws are in place to safeguard the rights of designers in the producing countries.

Older, more established industries can also benefit from the use of a global supply chain. In the apparel industry, for example, it is typical for high-value-added activities such as design and marketing to be performed in the United States, with assembly carried out in locations with lower production costs. The exceptions occur mainly in niches where capital-intensive techniques can be applied, such as the production of socks, or in specialty items for which labor costs are relatively less important. This division generally results in lower prices for consumers. This is not to deny, however, that there are costs to these developments, notably in the dislocation of some U.S. workers as production has shifted overseas. The effects of this dislocation and the Administration's response are discussed at length later in this chapter.

Evidence of the increased globalization of inputs to production can be seen in statistics on the activities of American multinationals. The foreign share of inputs in production by U.S.-based parent companies more than doubled from 1977 to 1997, although domestic content continues to account for more than 90 percent of their total inputs (Table 4-1).

TABLE 4-1.— *Source of Inputs Used in Production by U.S. Multinational Corporations at Home and in Foreign Affiliates*
[Percent of total value of inputs]

Category	1977	1989	1997
Parents in United States:			
U.S. content.....	96.0	93.2	90.8
Foreign content.....	4.0	6.8	9.2
Affiliates abroad:			
U.S. content.....	12.7	12.9	14.1
Foreign content.....	87.3	87.1	85.9

Source: Department of Commerce (Bureau of Economic Analysis).

Better Technology, More Trade

Just as globalization spurs innovation, so, too, do improvements in technology contribute to increased globalization. Improved communications and technology, in effect, make the world smaller. They bring a wider variety of the world's goods, services, and information to consumers everywhere, and they lower the costs of cross-border transactions in goods, services, and financial

flows. These lower transactions costs should lead to increased trade and investment, which in turn lead to higher incomes. Examples of how technology lowers transactions costs abound. Firms can use sophisticated information technology to implement cost-reducing just-in-time inventory practices while managing a vast flow of components from a global web of suppliers. The cost of air freight is a fraction of what it was just 20 years ago, thanks not only to better technology but also to deregulation of global air services and the expanded use of open skies agreements. These agreements permit unrestricted service by the airlines of each country to, from, and beyond the other's territory. The United States has entered into numerous such agreements, most recently in November 2000 with Brunei, Chile, New Zealand, and Singapore.

Novel though some of these cost-saving technologies are, they are in one sense nothing new, but simply the continuation of a centuries-long procession of human innovation. Declining transport costs, for example through more efficient ship design and improved navigation techniques, have been linked to the expansion of trade in Europe at least since the Middle Ages. More recently, the introduction of standardized shipping containers and systems for handling them has revolutionized the international shipping industry, yielding enormous increases in productivity. Together with improved communications, containerization has made integrated global production and distribution networks a reality. A comprehensive list of innovations that have improved the speed and lowered the cost of telecommunications would include the telegraph, the telephone, radio, television, fax machines, and most recently the Internet.

Like the other advances in telecommunications that preceded it, only more so, the Internet transcends the barrier of physical distance and helps overcome geographic obstacles to economic integration. Its power to transmit vast quantities of information to and from individual users gives it great promise for lowering transactions costs and facilitating trade. Its commercial reach extends across borders; for example, one major on-line retailer reports that consumers from more than 160 different countries have visited its website. And the Internet allows not just information about products but some products themselves, such as software and entertainment, to be delivered electronically at minimal cost. This type of globalization clearly benefits consumers and entrepreneurs by expanding the variety of products available for consumption and use and providing easier access to low-cost suppliers, wherever they are located.

The effect that the Internet is having on international trade is difficult to estimate, in part because it is hard to accurately measure Internet usage in some countries. One analysis of trade flows found no clear effect of the Internet in 1995 or 1996, but an increasing effect in later years. This result was found after taking into account a number of other factors that influence a country's trade, including the size of its economy, its distance from other countries, and

common borders, languages, and colonial heritage. Moreover, poor countries appear to gain more from expanded Internet access than rich countries. This suggests that access to the Internet might lessen the burden of shortcomings in traditional infrastructure that presently hinder trade for developing countries. In other words, bridging the international “digital divide” between rich and poor countries can have measurable economic benefits, not just in high-technology areas but in all sectors.

The effect of the Internet on international trade might indeed be larger than even these encouraging results suggest, because that analysis covered only trade in goods—it did not include services, such as education, financial, medical, and other professional services. Yet these are likely to reap especially large benefits from the possibilities of electronic commerce. Improved communications allows for commerce in these services that were previously difficult to deliver without a physical presence.

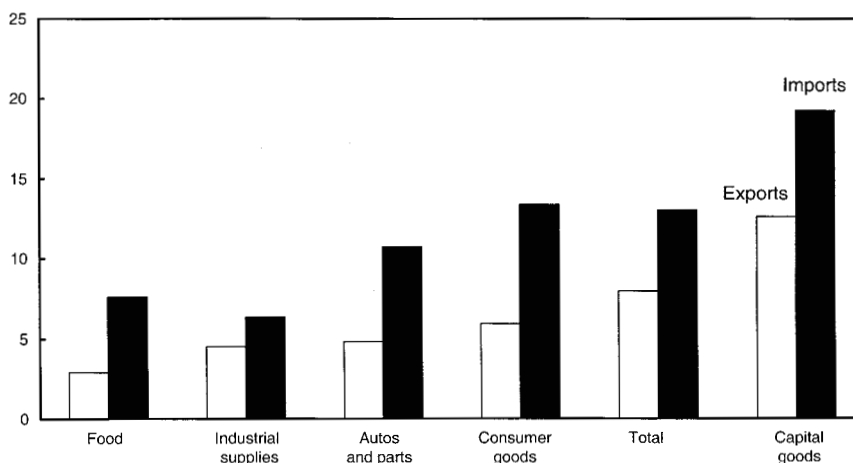
Technology and Knowledge-Based Products in U.S. Trade and Investment Flows

The growing importance of technology in the U.S. economy is evident not just from anecdotal examples but in the broad patterns of the Nation’s international transactions as well. The clearest sign is the rapid growth of U.S. trade in capital goods, a category that includes items such as computers, machinery, and telecommunications equipment (Chart 4-1). Capital goods today make up 45 percent of the value of U.S. exports, by far the single largest component (Table 4-2). They also constitute the largest share of the value of U.S. imports. Since 1996, increased trade in capital goods has accounted for about 70 percent of the growth in the value of U.S. exports and nearly 30 percent of that of imports. Strong growth in both imports and exports partly reflects roundtrip trade, as components such as semiconductors are exported from the United States and then return inside computers. But it also reflects the role of trade in supporting investment through equipment imports. Within the category of capital goods, trade in information technology products has grown especially rapidly (Chart 4-2). Computers, semiconductors, and telecommunications goods now account for nearly half of the value of capital goods imports and exports.

There has also been strong growth in exports of services, reflecting the growing value of ideas and of knowledge-based activities. Income from royalty and licensing fees grew by 8.3 percent each year on average from 1992 to 1999, compared with 6.5 percent a year for all services exports. Business, technical, and professional services grew at an 11 percent clip over the same period, and financial services income grew on average by 19.4 percent a year. Sales of these services are examples of “weightless” trade, since the value is in the idea or

Trade in capital goods grew more rapidly than that of the other broad categories of imports and exports from 1996 to 2000.

Chart 4-1 Imports and Exports by End-Use Category
Average annual percent change in volume, 1996 to 2000



Note: Total includes "other," which is not shown. Estimates for 2000 are based on data for the first three quarters.
Source: Department of Commerce (Bureau of the Census).

TABLE 4-2.—*Changing Composition of U.S. Trade Flows*
[Percent of total value of trade]

Category	Imports		Exports	
	1989-1990	1999-2000	1989-1990	1999-2000
Total	100.0	100.0	100.0	100.0
Autos and parts	17.7	16.6	9.3	10.6
Capital goods	23.0	28.2	37.8	44.8
Consumer goods.....	21.0	22.5	10.5	11.5
Food	5.2	3.9	9.4	6.3
Industrial supplies	27.2	21.9	25.8	20.6
Other	5.9	6.9	7.2	6.2

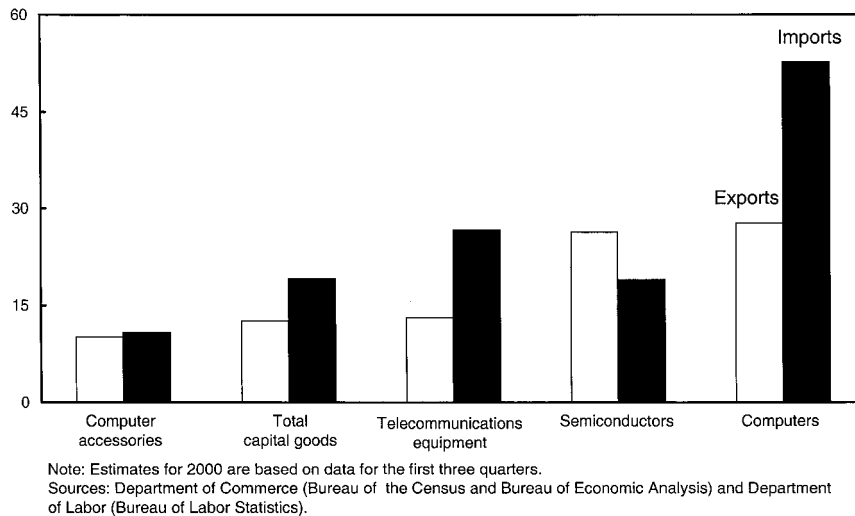
Note.—Data are on a national income and product accounts basis.
Estimates for 2000 are based on data for the first three quarters.

Source: Department of Commerce (Bureau of Economic Analysis).

service itself rather than in a material good. Although some services, such as haircuts, are not tradable (at least under current technology), there remains substantial scope for services trade to continue to grow. In 1999 services still accounted for less than 30 percent of the value of U.S. exports and less than

Among all capital goods, trade in high-technology products grew especially rapidly from 1996 to 2000.

Chart 4-2 Trade in Capital Goods and Selected Components
Average annual percent change in volume, 1996 to 2000



16 percent of imports, even though service-producing industries (excluding the government sector) accounted for 65 percent of U.S. GDP in 1998, the most recent year for which data are available. Stronger growth in our trading partners may actually favor U.S. services exports over goods exports, since there is evidence that higher income abroad stimulates foreign demand for services more than it does foreign demand for goods.

New Challenges

The confluence of increased globalization and improvements in communications and technology have raised U.S. economic performance and contributed to our prosperity. But these developments bring with them new challenges. The rest of this chapter focuses on six such challenges:

- raising U.S. saving and thus contributing to adjustment of the current account deficit
- increasing growth in our major trading partners
- making sure that developing countries are not left behind
- adjusting to the changes at home brought about by globalization
- safeguarding the environment and labor standards, and
- addressing the challenges that technologies pose for international legal institutions.

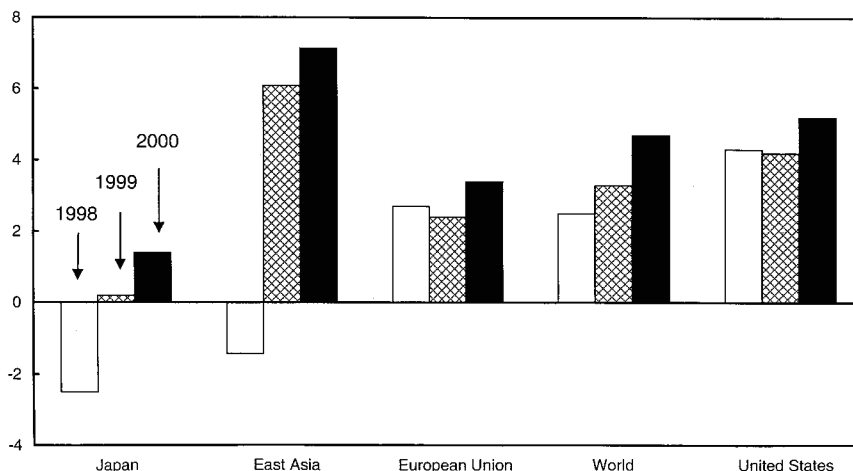
These challenges and the policy responses of the Administration are discussed below.

The U.S. Trade Balance and Current Account

The recent rapid growth in investment and the resulting strong performance of the U.S. economy have contributed to an increase in the Nation's trade deficit. Robust income growth and increased wealth from rising asset prices have contributed to higher domestic consumption, and thus to rapid growth in imports. Growth was slower in major U.S. trading partners in Europe and Asia than in the United States in 1998 and the first part of 1999 (Chart 4-3). This contributed to weaker import demand in those regions and slower growth of U.S. exports. A strong dollar, reflecting in part capital inflows from foreigners eager to participate in attractive investment opportunities in the United States, has also contributed to the growing trade deficit by lowering prices of foreign-made goods relative to those of U.S. products. Through the first three quarters of 2000, the trade balance in goods and services was about \$270 billion in deficit. That would correspond to roughly \$360 billion for the whole year, or about 3.6 percent of GDP (Chart 4-4). Meanwhile the current account (a comprehensive measure that comprises not only the trade balance in goods and services but also net income and transfers) recorded a deficit of roughly 4.3 percent of GDP (Chart 4-5).

In recent years, the U.S. economy has grown faster than those of many of its major trading partners.

Chart 4-3 Growth in Real GDP by Region
Percent

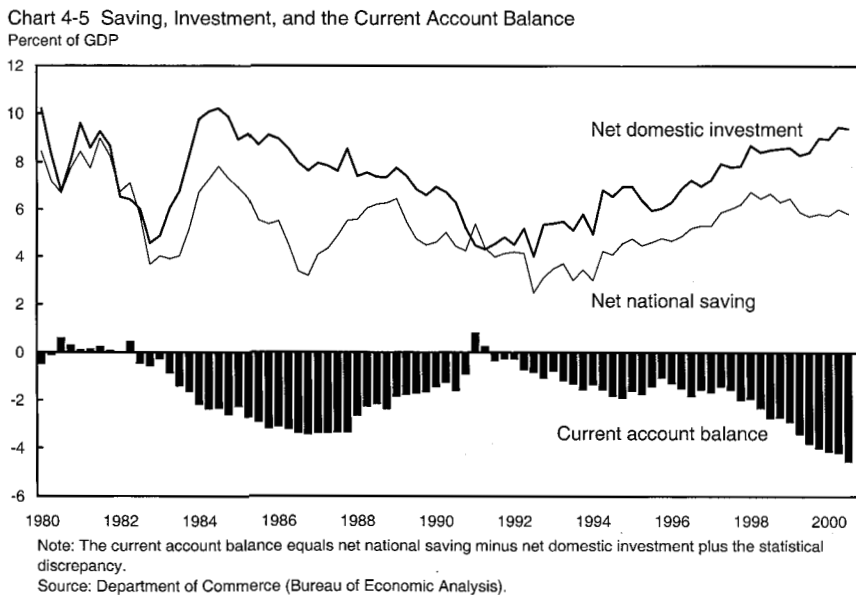


Note: Data for 2000 are estimates.
Source: International Monetary Fund.

The trade deficit increased as the dollar appreciated in the late 1990s.



The increase in the current account deficit after 1995 has supported higher investment.



The current account balance equals by definition the difference between national saving and national investment. A current account deficit reflects an excess of investment over domestic saving, and thus an inflow of foreign capital that makes up for the shortfall. The widened current account deficit reflects the fact that although net saving has risen, net domestic investment has risen even more. The share of net domestic investment in GDP (Chart 4-5) grew by 4.6 percentage points from 1992 through the first three quarters of 2000 (from 4.8 percent to 9.4 percent), while the share of net national saving rose by only 2.3 percentage points (from 3.5 percent to 5.8 percent).

What explains the willingness of the rest of the world to provide the United States with the capital inflows needed to finance its current account deficit? The answer is simply that the attractive opportunities for investment in the United States today exceed those in other countries. This can be seen by comparing the deficits of today with the comparably large (as a percentage of GDP) deficits of the 1980s. In the earlier decade, most of the inflows went to the purchase of U.S. government debt securities. The more recent inflows, in contrast, have mainly been invested in privately issued assets. Indeed, much of the inflow has come in the form of foreign direct investment (equity investment for purposes of control of the enterprise) rather than purchases of bonds or portfolio equity participation: the value of inward direct investment into the United States rose from \$51 billion in 1993 to \$271 billion in 1999.

With saving from the rest of the world continuing to flow to the United States, the U.S. net international investment position—the value of U.S. assets abroad less the value of foreign assets in the United States—will continue to turn more negative. At the end of 1999 the net international investment position was approaching a negative \$1.5 trillion, or almost 16 percent of GDP that year; foreigners held more than \$8.6 trillion of U.S. assets, while Americans held foreign assets valued at more than \$7.1 trillion. Part of the income from these international investment holdings consists of retained earnings and reinvested dividends and interest payments, which are recorded as an outflow in the current account and an offsetting inflow in the capital account. This would tend to raise the apparent magnitude of capital flows. On net, however, income on investment now flows out of the United States, as foreigners repatriate earnings on their U.S. investments by a greater amount than Americans are bringing their earnings on foreign investments back to the United States.

The availability of foreign saving has permitted the United States to maintain the high rate of investment that has expanded productive capacity and raised economic performance. This shows that foreign capital inflows are not in themselves a bad thing: it is better to finance attractive investment opportunities using foreign capital than not to undertake them at all. But our income would be even higher if that investment were financed instead by domestic

saving. Saving trends in the United States over the last several years present a mixed picture. From 1992 through the third quarter of 2000, the share of net saving by the public sector (Federal, State, and local governments) in GDP has risen by 7.8 percentage points. But this rise has been largely offset by a decline in the share of net private saving of 5.5 percentage points. Higher private saving would help to ensure the continued ability of the United States to finance domestic investment. The saving rate can be raised without threatening continued strong growth in income if the composition of demand for U.S. goods shifts, with external demand replacing some domestic consumption. In the meantime, it is important to maintain public saving, through continued fiscal discipline at all levels of government, in order to support national saving.

It is difficult to say what level of the current account balance would be most appropriate. But if some adjustment in the current account is deemed necessary, the way it is accomplished matters. It would be better to reduce the current account deficit through higher domestic saving than through lower investment, because reducing investment would mean a smaller capital stock and thus lower national income than would otherwise be the case. In the best of all possible world economies, increased growth in the rest of the world would lead to increased U.S. exports, which would compensate for the reduced domestic demand that higher domestic saving would entail, and thus maintain strong income growth in the United States. More rapid growth abroad would cause saving by foreigners to shift from the accumulation of U.S. assets to investment in their own domestic economies, made newly attractive by their increased domestic growth. The rebound in investment abroad would further spur U.S. exports, which, as we have seen, consist largely of capital goods.

Opening foreign markets can play a role in adjustment by encouraging U.S. exports. In contrast, efforts to narrow the trade deficit or the current account by raising barriers to imports into the United States would likely make the economy less efficient and thus lower national income, without necessarily increasing national saving.

Raising Performance in Other Countries

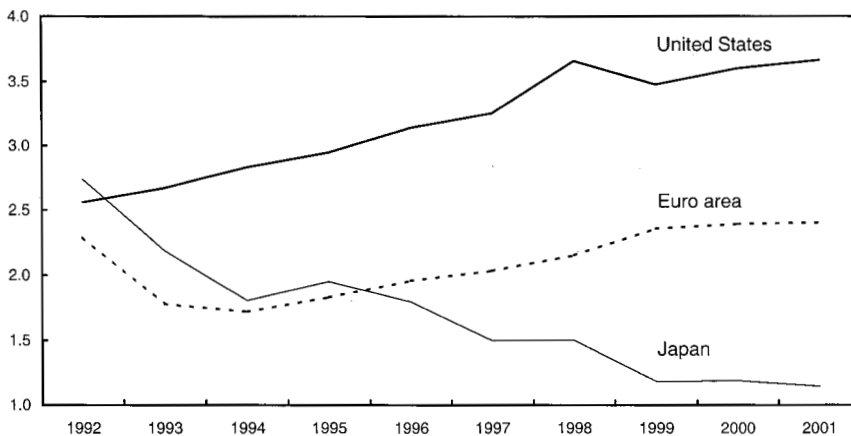
At present, the U.S. current account deficit is supporting too large a share of the global economic expansion. It would be desirable for other countries to take steps to accelerate their growth and promote a smooth return to a more balanced global distribution of growth. As this adjustment occurs, the U.S. current account deficit should return to levels in line with the historical U.S. saving and investment relationship. To ensure sustained, balanced global growth, the major industrial economies need to maintain supportive fiscal and monetary policies and push ahead with structural reforms to remove barriers to investment opportunities (including opportunities for new technologies).

The same innovations that have raised economic performance in the United States would likewise be expected to raise foreign productivity and growth as those innovations are adopted abroad. The global diffusion of innovative technology is thus one avenue through which to increase growth in other countries. Technological development is not a race, where the first to make a discovery is the only winner. The spread of our own technological discoveries to other countries leads to higher productivity and economic growth in those countries, raising their incomes and thus creating new opportunities for innovative and competitive U.S. firms to export. And when productivity rises in other countries, the prices of the goods they produce fall, and to the extent that these goods are exported to the United States, Americans benefit from lower prices and greater choice.

Throughout the 1990s, the beneficial effects of technology on productivity and growth appear to have been enjoyed most strongly in the United States. Although growth has rebounded in Europe and the emerging market economies of East Asia, these events so far appear to be cyclical rather than structural in nature. That is, recovery in these countries seems to be bringing them back up to their economic potential, but not yet accelerating the expansion of that potential. The situation in the United States has been otherwise. From 1995 to 2000, according to OECD estimates, potential output in the United States grew at an annual rate of 3.5 percent, compared with only 2.2 percent for the countries that have adopted the euro, and only 1.4 percent for Japan (Chart 4-6). Growth in total factor productivity—the

Potential output is estimated to be growing faster in the United States than in the euro area and Japan, with the gap widening in the last few years.

Chart 4-6 OECD Estimates of Growth in Potential Output
Percent



Note: The euro area includes Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain.

Source: Organization for Economic Cooperation and Development.

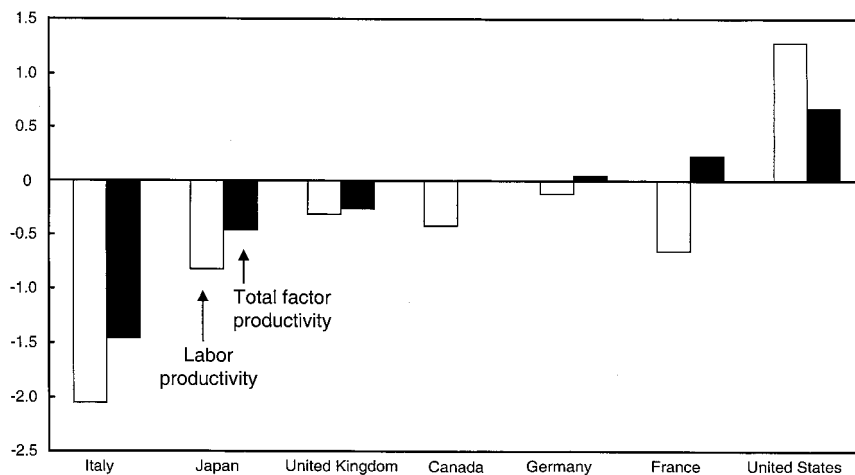
efficiency with which capital and labor are used in combination—also lags in most European and other industrial countries, with little sign of the acceleration the United States has experienced over the past several years (Chart 4-7).

The lagging pace of investment in information technology in much of Europe compared with the United States may be one reason for the divergence in trend growth. This lag is evident even after taking into account differences in the measurement of purchases of high-technology products (Box 4-2). The United States also leads other industrial countries on several measures of the usage of information technology, including numbers of telephone lines, Internet hosts, and secure servers used in e-commerce (Chart 4-8). Yet the United States is not ahead in every aspect of information technology: wireless technology has taken off in Europe far more than in the United States.

There are some signs that the use of the new technologies whose pervasiveness has so benefited the United States is beginning to approach critical mass in other advanced economies, including Germany, the Netherlands, the Nordic countries, and the United Kingdom. For example, Germany now boasts a technology-oriented stock market similar to the Nasdaq, the Neuer Markt, and is reported to have the largest European contingent of Internet enterprises, larger even than in the United Kingdom. Firms in Scandinavia are innovators in important areas of technology, notably wireless communication. Perhaps not coincidentally, the Nordic

Growth in labor productivity and total factor productivity increased in the United States in the late 1990s, but slowed in most other G-7 countries.

Chart 4-7 Change in Average Annual Productivity Growth from 1990-95 to 1996-99
Percentage points



Source: Board of Governors of the Federal Reserve System.

Box 4-2. Information Technology and Cross-Country Differences in Measuring Economic Growth

The rapid rate of technological improvement in information technology products makes it difficult to distinguish between changes in prices and changes in quantities produced. Statisticians face the problem that traditional price indexes fail to adequately account for quality changes in the face of rapid technological change: a computer that cost \$2,500 in 2000 provides several times the computing power of a \$2,500 computer only a few years earlier. To account for rapid quality upgrading in computing equipment, the United States has adopted a hedonic price deflator for computers and hardware, which measures computing power as a combination of characteristics such as processor clock speed, memory capacity, and hard disk size. Using this methodology, computer prices in the United States are estimated to have fallen at an average rate of 17 percent per year since 1990, and 24 percent per year since 1997. Growth in the volume of computer sales contributed nearly 1 percentage point to real GDP growth in 1999, even though the value of computer spending in current dollars accounted for less than 0.1 percentage point of nominal GDP growth.

The use of this hedonic index makes international comparisons of information technology spending difficult, since most other countries do not use hedonic price indexes (exceptions include Canada, France, and Japan). Using traditional measures that do not fully adjust for quality improvements understates real computer expenditure and thus overall real investment. This in turn lowers the statistical measure of output and affects productivity calculations. Compared with the United States, a country using a traditional price deflator appears to produce less high-technology output for any given amount of inputs such as workers and nontechnology capital. Applying the U.S. deflator to German information technology investment, for example, results in a substantially larger measure of real investment—as much as 170 percent larger—than with the traditional deflator. Over the period since 1991, use of a hedonic price index would have implied that real investment in information technology equipment in Germany increased at a rate of 27.5 percent per year, versus 6 percent using the traditional approach.

However, even after correcting for the different statistical methodologies, investment and GDP growth in the United States remain far stronger than in Europe. A study that applied the U.S. deflator for information technology investment to France found that the contribution of this investment to growth was similar for the two countries

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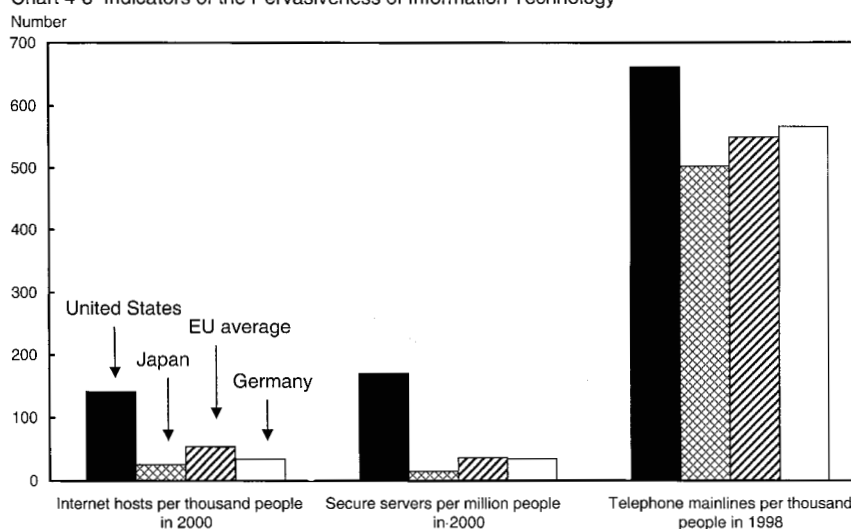
Box 4-2.— *continued*

from 1973 to 1990, but that investment then grew by twice as much in the United States from 1995 to 1998. An alternative approach found that the contribution of information technology investment to growth in France was smaller than in the United States before 1990 as well as in more recent years. Another study took the difference between the price index for U.S. information technology investment and the price index of all other investment goods and applied this to non-information technology price indexes in other G-7 countries to derive a new price index. The contribution of information technology equipment to GDP growth from 1990 to 1996 was found to be still nearly twice as large in the United States as in most other G-7 countries. Only the United Kingdom and Canada experienced contributions to growth of even two-thirds that of the United States.

The difficulty of accurately measuring the rapid technological change occurring in information technology makes international growth comparisons difficult, but it does not qualitatively affect a comparison of growth in the United States with that in many other industrial countries. The success story of the U.S. economy is more than a statistical artifact.

The United States leads the industrial countries in several measures of information technology use.

Chart 4-8 Indicators of the Pervasiveness of Information Technology



countries (excluding Denmark) benefited more from higher total factor productivity growth in the latter half of the 1990s than did other European countries. Meanwhile other developed countries that have lagged in productivity growth are attempting to catch up. Japan, for example, has recently taken steps to deregulate its telecommunications industry and provide incentives for firms to upgrade their information technology equipment and employee skills. Burgeoning information technology sectors have also begun to appear in some developing countries. One notable example is the development of an Indian software programming industry. However, additional policy steps are needed to ensure that these countries fully enjoy the benefits of the new technologies.

The Importance of Institutions and Policy

In addition to removing barriers to international trade, improved economic performance requires a combination of institutions that facilitate the allocation of human and financial resources to activities with the highest rates of return. These include flexible labor markets, efficient capital markets, and government regulatory structures that encourage competition.

Labor Market Flexibility

Flexibility of labor markets has been an important aspect of economic success in the United States. This flexibility encompasses both the ability of workers with desirable skills to switch to more rewarding jobs, and the ability of firms to adapt their work force to changing economic prospects. It also entails a work force that can adapt to new technologies and production techniques, businesses that effectively manage human resources, and pro-competitive government policies, such as supportive tax regimes that encourage investments in new skills and technologies. Among OECD member countries from 1980 to 1997, those with relatively low tax rates on labor income, and low costs to firms of restructuring their work force, generally had lower rates of unemployment and higher rates of job creation than other countries.

Labor market flexibility is particularly important in high-technology industries, where the pace of innovation and industry evolution is especially rapid. The important role of research and development in these industries means that sophisticated human capital—strong education, specialized skills, and the ability to innovate—becomes an essential input. Expanding firms must be able to attract skilled workers, who are the main users and producers of technology; indeed, the movement of labor between technology firms has been found to be an important channel for knowledge transfer. This includes movement of skilled workers across borders. Immigrants,

especially from India and Taiwan, have made important contributions to high-technology firms in the United States. Here too, U.S. policy has supported labor market flexibility, by allowing firms to bring in highly skilled foreign workers through the recently expanded H-1B visa program, while providing assistance for training of U.S. workers.

Capital Market Efficiency

The efficiency of capital markets in the United States has also contributed to the superior economic performance we have seen. The more widespread availability in this country of equity finance, including venture capital, facilitates business creation and propels the development of new technologies. In contrast, in Japan and some European countries, banks and other large financial institutions provide most business financing, hold some firm equity, and usually exert a measure of corporate control. These differences between the two systems give rise to different incentive structures. Returns to bank loans are limited by the interest rate; returns to equity investments are determined by profits and capital gains. This makes bank lending better suited to financing low-risk activities, whereas an equity-based system has the potential to generate greater capital investment in activities where expected returns are high but uncertain.

When most job creation and investment are undertaken by large and established firms, these differences in the mode of financing are not likely to be important, since such companies finance most investment out of their own retained earnings. However, it is likely that the performance of the two systems will diverge in high-technology sectors, for at least two reasons. In the telecommunications sector, the large outlays required to finance the emerging new technologies could well exceed the financing available from retained earnings and from banks. In other areas of information technology, banks have not been especially successful in supporting the new firms that play an important role in generating innovation. These considerations put the bank-centered systems of Europe and Japan at a relative disadvantage.

In contrast, economies that have liquid, efficient capital markets tend to invest more heavily in research and development activity, and particularly in high-technology startups. Venture capital has flourished in the equity-based U.S. system as an important financing mode for risky new enterprises, since the returns on venture capital can best be realized when firms can readily issue new equity to the public. Of course, it is not impossible for information technology startups to be financed within the framework of bank-oriented systems, but such systems have had difficulty matching the success of the equity finance model. In Europe and Japan, for example, venture capital is supplied primarily through the financing arms of banks and other financial corporations. Venture capital in these countries has thus far tended to focus

on the later stages of firm development, or to finance leveraged buyouts of existing firms rather than fund the creation of new ones. The distinctions between the two systems may be eroding in continental Europe. For example, the ratio of stock market capitalization to GDP has been trending upward in many of these countries since the mid-1990s, although in most of them it remains well below the U.S. level.

The form of firm ownership and control also influences the creation and diffusion of information technology. In the “outsider” model of corporate governance common in the United States and the United Kingdom, management is given incentives to focus on stockholder returns, and minority shareholders enjoy substantial protections. In contrast, the “insider” model common in Japan and continental Europe gives more power to other stakeholders, including large ownership groups such as banks as well as employees and management itself. The insider model may allow stakeholders to more effectively monitor management efforts in a way that avoids a focus on short-term financial results. But there is evidence that in recent years the outsider model has fostered superior performance, including a more rapid pace of research and development, investment, and technological diffusion.

The Role of the Regulatory Framework

The need for flexibility applies to the institutions of government as well. Regulatory frameworks must be transparent and avoid raising hurdles to the creation of new businesses. Startup firms are a vehicle for the introduction of new products and techniques, since they face a lower opportunity cost of switching to newer, better technologies. Moreover, the presence (or the threat) of new entrants limits the possibility of monopolistic behavior by incumbents. A challenge in this regard is how to distinguish regulation that is necessary to prevent anticompetitive behavior, and thus promote innovation, from regulation that hinders innovation. This can be a difficult task when large, potentially monopolistic firms are also among the most innovative.

Ensuring that domestic markets are open to competition has been found to be particularly important in the telecommunications industry. Here as elsewhere, competition leads to lower prices; in telecommunications it also spurs increased investment and network size. But it is in the nature of networks to tend toward monopoly, in part because of the scale economies discussed above. Hence regulatory authorities must be vigilant.

Privatization of state-owned telecommunications firms has also been found to lead to lower costs and increased usage. But for this to occur, privatization must be complemented by effective regulatory oversight so that a dominant firm does not impede competition by new entrants, through such means as excessive charges for connecting competitors’ calls over the “last

mile” of telephone line to homes or businesses. An inexpensive, high-quality telecommunications network is not only a basic element of the business infrastructure of any modern economy but also an important determinant of the adoption of information technology, in particular the Internet.

Raising Incomes in Developing Countries

The global imperative to combat poverty and support economic development in the poorest countries gains added urgency today, when the AIDS epidemic, international and civil conflict, and other catastrophes threaten to reverse years of gains in many countries. The divergence in national incomes between the developed and the developing world continues not because so many countries are effectively integrating themselves into the global economy, but because so many are not. Bridging this gap remains a challenge for economic development. Meanwhile the emergence of new technologies threatens to create an international “digital divide” parallel to, and to some degree predicated on, that in economic development.

Economic integration holds out enormous potential for improving the lives of the world’s people through increased access to goods, services, and ideas. Economies that are relatively open to international trade and investment appear to grow faster than closed economies, although it is difficult to separate out the causal linkages between openness and growth. The growth-enhancing effects of economic integration are especially vital for the poorest of developing countries, because a central lesson of history has been that rapid and sustained economic growth is essential to rapid and long-lasting reductions in poverty. But for this to happen, globalization must proceed in a stable global economy, so that it can be harnessed to advance a prosperity that is shared by all.

Ensuring a Stable Global Economy

Growth in global flows of private capital has accompanied and in many cases supported growth in trade. Access to global capital helps countries finance their expanding trade. It is also a vehicle for the development and transfer of new technology and a creator of new economic opportunities. But wherever there is finance, there is the inherent risk of financial crisis. In tandem with the global expansion of capital flows, therefore, policies and institutions must be developed that minimize this risk while maximizing the potential of capital flows to support rapid growth. A well-functioning system that ensures a strong and stable flow of capital to emerging economies is a crucial part of building a successful, truly global, economy.

The recent financial crises in Asia and elsewhere have underlined the economic and humanitarian imperatives of a stronger international financial architecture. The memory is still fresh of how millions of people around the

world, many of them poor people going about the business of improving their lives, instead saw their lives turned upside down when their countries' financial systems were thrown into crisis. The international community must work diligently to provide the greatest possible assurance that such crises will be less frequent—and less costly—in the future.

Making crises less frequent and less costly means having a clear understanding of what has caused them in the past. There is now widespread agreement that the financial crises of the late 1990s were caused by two elements coming together. The first was weakness in many countries' economic fundamentals, including weak banking systems, questionable investments, domestic credit bubbles (supported by large amounts of short-term external debt), unsustainable exchange rates, and in some cases, deteriorating fiscal positions. These weaknesses were thrown into relief when international investors began to reassess these countries' capacity to safely absorb large amounts of foreign capital. The second element was an element of panic, as the focus of domestic and foreign investors shifted from being the first to discover the latest new opportunities in these countries, to how to avoid being the last out the door.

This understanding of the causes of the crisis is increasingly informing the redesign of the international financial architecture. This shows itself in three fundamental ways:

- *More effective means of preventing crises.* The International Monetary Fund (IMF) has strengthened its surveillance of the global economy, with a focus on preventing the adoption of policies that create vulnerabilities and thus augment the risk of financial panic. Reform is proceeding on several fronts: toward a revolution in the transparency of national macro-economic frameworks that will make surprises less likely; toward the development of a wide-ranging framework of international codes and standards, to provide benchmarks for national policies in areas such as bank supervision and securities market regulation; and toward more systematic incorporation of indicators of liquidity and balance sheet risks in IMF surveillance reports.
- *Safer policies in the emerging market economies.* Here there are already signs of progress as a result of greater global understanding and wariness of economic risks. For example, the ratio of short-term external debt to foreign reserves has nearly halved since 1996 in those countries that experienced liquidity crises in the late 1990s. In the same countries, short-term debt fell from 34 percent of total external debt in 1996 to 21 percent in 1999. Some 14 countries have moved away from unstable pegged exchange rate systems. But constant vigilance is needed to make sure that problems do not reemerge.

- *An IMF that is better equipped for modern crisis response.* With the creation of the Supplemental Reserve Facility and the Contingent Credit Line, and more recently with the November 2000 decision of the IMF's executive board on the reform of IMF facilities, the IMF now has tools that are a match for the kinds of crises that today threaten the global economy. The design of these facilities seeks to avoid, as far as possible, distorting the incentives both of private investors and of governments. IMF policy is increasingly oriented toward providing short-term, emergency finance, priced to discourage its casual use and to encourage rapid repayment. These changes have been accompanied by efforts to increase the flow of information to financial markets and to improve communication between borrowing countries and their creditors. They also build on the experience gained in recent cases of debt restructuring, putting in practical terms the broad guidelines on private sector involvement in crisis resolution outlined by the Group of Seven (G-7) major industrial countries in July 2000.

A stable international economy is not enough to ensure rapid and sustained growth. Governments need to put in place institutions and rules that allow markets to function well. Governments also need to promote the effective rule of law, through good governance, transparent decisionmaking, and support for the emergence of a healthy civil society.

Overcoming the Global Digital Divide

In the same way that a lack of access to international trade and capital markets hinders growth in the least developed countries, an issue now arises with the new networks of information. The rapid pace of technological advance threatens to create an international digital divide that leaves some developing countries lagging ever further behind the more advanced economies. This is a particular concern for less developed countries in Sub-Saharan Africa; it is less of a concern for many emerging market economies in East Asia and Latin America, which are already experiencing rapidly expanding use of technology and increased access to the Internet.

Some argue that acquiring advanced technology should be a relatively low priority for countries still struggling to meet basic needs, such as clean water and adequate health care, and to lower their poverty rates. Recent studies suggest, however, that information technology (including telecommunications) not only can address some of these basic needs, but may also generate higher social returns than more traditional infrastructure investment. The effects of information technology on growth and development are difficult to assess, but some studies have found a positive correlation between the stock of telecommunications capital and economic growth. Evidence on the

success of individual projects suggests that this association reflects more than just rising demand for technology as a country's income rises. Information technology holds great potential to raise incomes and improve the quality of education, health care, and public services. It makes it easier for individuals to both obtain and disseminate the information they need to empower themselves, and it promotes a more active civil society. Of course, information technology is not a panacea for the problems of development; each country's circumstances will ultimately govern its decision whether to invest in technology or in other projects.

Seizing the opportunities that technology offers to developing countries requires the right policies. Despite the potential for high returns, gaps in policies and institutions can lead to significant underinvestment in information technology in these countries. Obstacles to the diffusion of information technology and its applications, such as e-commerce, are in large measure the same as the impediments to economic development more broadly. These include a lack of well-developed credit markets to channel domestic saving to productive investments, deficiencies in basic infrastructure, and shortcomings in education. Moreover, institutions in many developing countries lack the capabilities to enforce property rights and provide an effective set of commercial laws. The result is that individuals and firms hesitate to invest in costly equipment and software even when the potential rates of return are high.

Developing countries also face a number of underlying problems that hinder the increased use of new technology. These include:

- *High costs to users.* At current prices, information technology may be prohibitively expensive for most potential users in developing countries. And in many countries the presence of a monopoly telecommunications provider keeps prices high and network size and usage low. However, creative financing structures and business plans can overcome this obstacle, as exemplified by thriving Internet cafés in several developing countries. Another example comes from Bangladesh, where individuals (often women) use microcredit financing to purchase a single cell phone, which they then profitably rent out to others in the community.
- *Human capacity.* A country's successful assimilation of information technology requires a generally educated populace. Developing countries cannot make full use of information technology without the right training and skills.
- *Applications.* Applications of information technology that have been successfully marketed in developed countries may not be well suited to conditions in developing countries. Local communities and nongovernmental organizations have demonstrated remarkable ingenuity in adapting

information technology to local uses such as micro e-commerce, distance education, and the dissemination of public health information. However, software companies must still be encouraged to develop applications that do not require high bandwidth or high levels of literacy or English proficiency.

Not all the elements are yet in place for market forces to close the international digital divide. Developing countries need help in narrowing the parallel gaps in policy, infrastructure, and training before they can successfully harness information technology for economic development. In 1999 the United States launched the Internet for Economic Development Initiative to provide targeted assistance in these areas to a number of developing countries. The United States has also been active in providing direct support for high-technology infrastructure in developing countries. The Leland Initiative has provided African countries with financial and technical assistance aimed at helping them benefit from increased Internet connectivity. The Overseas Private Investment Corporation has established a \$200 million credit line for U.S. companies seeking support for projects that will help developing countries close the digital divide. The United States has also provided assistance with policy development; for example, the Federal Communications Commission has helped developing countries devise appropriate regulatory regimes. The Okinawa Charter promulgated by the G-8 countries (the G-7 plus Russia) in July 2000 provides a framework within which work can proceed on policy development, human capacity building, and brokering of private-public partnerships to diffuse information. It also established the Digital Opportunity Task Force, or DOT*force*, to coordinate policy formation to implement these general principles and help catalyze resource allocation to remedy shortcomings that the private sector alone cannot.

Investment in information technology can contribute greatly to economic development. Market forces will ultimately provide the dynamism to drive information technology investment, but policymakers need to establish the conditions in which these forces can flourish.

Adjusting to Change at Home

Globalization and the effects of technology pose challenges at home as well. Even though the increased openness of the United States to the international economy provides substantial benefits for the Nation as a whole, not everyone gains. The rewards of improved technology and increased globalization are not spread equally: for some, change inevitably means dislocation. Therefore an important complement to the Administration's international economic policy has been assistance to those here at home adversely affected by changes in technology or increased globalization.

A number of Federal programs help individuals obtain the tools they need to succeed in the New Economy. The Dislocated Worker Program provides services to workers who have lost their jobs and are unlikely to return to their previous industry or occupation, as well as to formerly self-employed persons and displaced homemakers no longer supported by the income of another family member. The available benefits include assistance with job search and placement, individual counseling and career planning, and training assistance. Some workers also receive financial support toward transportation and child care expenses. It is estimated that around 836,000 people participated in the program in fiscal 2000. Workers affected by international competition receive support from programs such as Trade Adjustment Assistance and NAFTA Transitional Adjustment Assistance. Benefits include training, job search aid, and relocation allowances. An estimated 175,000 workers were eligible for assistance in fiscal 1999; of these, nearly 40 percent were cited as having been affected by trade with our NAFTA partners.

In addition to giving financial support to individuals, government can serve as a catalyst in helping whole communities adjust to dislocation. The Administration has proposed the Community Economic Adjustment Initiative, now being implemented in a pilot program in Connecticut. This initiative would bring together resources from across the Federal Government to provide coordinated assistance and information on new employment opportunities, along the lines of the successful approach taken in response to military base closures. Assistance would be provided to communities in two stages: first to assess their resources and needs, and then to develop an economic response. Government agencies would also help connect displaced workers with enterprises seeking to bolster their work force or looking for locations in which to expand. As a further step, a Commission on Workers, Communities, and Economic Change in the New Economy, established by the President, will examine the effectiveness of Federal programs that help with adjustment and identify the best practices of employers, communities, and public-private partnerships that have responded successfully to economic dislocations.

Dislocation is an unavoidable side effect of economic growth and technological change. Economic progress—whether it results from changes brought about by globalization, technology, institutions, or regulation—affects workers in various ways, not always for the better. Wages change in industries impacted by new competition, jobs shift from industry to industry and from location to location, and the range of jobs available within a firm or factory changes as well. All these factors interact: competitive pressure, domestic or foreign, might lead a firm to adopt new technology, which in turn might eliminate the need for some workers while creating jobs for others to develop and manage the technology. Such changes in the skill mix have been the predominant factor in past changes in employment: around

70 percent of changes in employment in U.S. manufacturing as a whole in the 1980s resulted from a shift from relatively low-skilled workers to high-skilled workers within the same industry. That is, jobs did not, as a rule, move from industries that faced foreign competition to those that did not; instead the types of jobs available changed as firms shifted their labor force toward more highly skilled workers. This evidence suggests that worker displacement is largely the result of changes in technology rather than the result of import competition, since the latter would have been expected to lead to employment declines in certain affected industries rather than changes in the composition of employment.

A similar phenomenon can be observed in the behavior of multinational firms. Increased production by foreign affiliates of U.S. multinational enterprises in the 1980s and early 1990s has been found to lead to increased domestic employment—in other words, parent and foreign employment rose together, not one at the expense of the other. But here, too, the composition of jobs changed, with domestic employment shifting to jobs requiring higher skill, such as design and management, while production jobs often moved overseas. A number of studies of U.S. multinationals in the 1980s and early 1990s similarly found that the shift of production activities to developing countries had little overall effect on wages in the parent company. To be sure, these findings mean only that import competition and outsourcing did not have large overall effects on employment or wages. Behind the aggregate numbers are individual people whose lives have been disrupted by the shift toward more highly skilled workers and high-technology jobs.

The differing impact of globalization on different groups of workers is reflected in public opinion surveys, which suggest that how one perceives the effects of increased trade depends on one's level of skill. Less skilled workers are more likely to favor trade protection than are workers with relatively high skills. This is understandable: globalization contributes, as we have seen, to technological change, and technological change favors workers with higher levels of skills and education. This makes globalization especially threatening to less skilled, less educated workers. Anxiety about dislocation and job loss will thus likely remain so long as the pace of technological change remains rapid. This evidence further emphasizes the need for policies to ensure that individuals adversely affected by globalization and technological change are not left behind but instead receive help to take advantage of new opportunities created in the dynamic U.S. economy.

Trade and the Environment and Labor Standards

This Administration has made a commitment that at the same time that trade fosters openness and prosperity, it must also protect global natural resources and be consonant with our national values. This means making

sure that trade liberalization takes account of the environmental effects of economic activity and complements policies that seek cleaner air, cleaner water, and protection of our natural heritage, while still promoting growth. It also includes making sure that trade liberalization does not hinder countries' adherence to labor standards. Indeed, growth in trade and the economy should be accompanied by respect for recognized core labor standards and the elimination of practices such as exploitative child labor.

In support of the Nation's environmental goals, the President in November 1999 issued an executive order mandating environmental review of certain trade agreements, including multilateral and bilateral free-trade agreements and major agreements in natural resource sectors. The recently signed free-trade agreement between the United States and Jordan includes provisions addressing trade and the environment and, for the first time ever in the text of a trade agreement, provisions on labor standards. (Such standards were addressed in side letters to NAFTA but not in the agreement itself.)

Increased globalization need not conflict with improved environmental standards and social protections. To the contrary, international trade can contribute to a cleaner environment, by giving all countries access to technologies and production methods that help prevent pollution and conserve natural resources. Examples include technologies that promote energy efficiency and reduce polluting emissions from automobiles and factories. Liberalized international investment policies can also contribute: multinational corporations that invest in new plants in developing countries can bring with them global best practices in environmental and labor standards.

Challenges for Legal Frameworks

Technological change and globalization present a number of new challenges for international legal frameworks.

Law Enforcement

Globalization and the possibilities created by new technology raise new challenges for the legal system in combating cross-border criminal activities. These activities include the unleashing of destructive computer viruses, violations of computer security, and the use of the Internet for the sale of illegal products, for tax evasion, and to disguise the origin of illegally generated funds. An important issue here is that of determining jurisdiction. Using the Internet, a single person with modest resources, operating from anywhere, can undertake criminal activity that has consequences for the entire world. A recent example is the proliferation of the "I Love You" computer virus, which allegedly originated in the Philippines but caused worldwide problems with e-mail systems.

To begin to address these issues, the National Plan for Information Systems Protection established the first national strategy for protecting computer networks from deliberate attack, and the Partnership for Critical Infrastructure Security was set up to maximize cooperation between government and private sector initiatives in the area of cybersecurity. The G-8 countries have also agreed to work together to combat the use of the Internet for international criminal activity.

The same improvements in technology and communications that have made global capital flows more liquid also pose new challenges for law enforcement. A computer network that can efficiently transfer massive amounts of capital to productive uses can with equal ease transfer funds obtained illicitly without being detected. The challenges include both tax evasion and the illegal practice of money laundering, in which individuals seek to disguise the origin of funds generated through criminal activity. To combat these activities within an international framework, the United States has participated in the Financial Action Task Force on Money Laundering (FATF), a multilateral group that develops recommendations covering criminal justice systems, law enforcement, financial market regulation, and international cooperation. The FATF took a major step forward in June 2000, when it identified 15 jurisdictions as noncooperative in the fight against money laundering. That action prodded several of the listed jurisdictions to take steps to combat the practice. Meanwhile the finance ministers of the G-7 countries announced the coordinated issuance of advisories to their domestic financial institutions, urging them to give enhanced scrutiny to transactions involving the identified jurisdictions.

Taxation

The growing globalization of financial transactions also raises issues for taxation, because technological advances in this area can facilitate tax evasion as well as tax avoidance. Tax evasion is any effort to escape the payment of taxes actually due, and is illegal. The OECD has taken steps to combat tax evasion in cross-border transactions, notably by promoting the exchange of information among national tax authorities. This includes evaluating barriers to the effective exchange of information as well as examining ways in which information technology can be used to combat the problem. Tax inspectors from the OECD countries regularly meet to share information about the detection of evasion and avoidance schemes in financial transactions.

Tax avoidance, in contrast, is the arrangement of one's affairs so as not to incur taxes on one's economic activity in any national jurisdiction. Unlike tax evasion, tax avoidance is not illegal per se—indeed, a major reason why it exists is that some countries actively encourage it, by setting up preferential tax regimes to attract multinational corporations. However, tax avoidance

can distort the global allocation of capital and lead to an unequal distribution among countries of the burden of raising tax revenue. The United States has participated in OECD initiatives to identify and limit policies that give rise to harmful tax avoidance and erode countries' tax bases. Such policies include the lack of effective exchange of tax information with other countries, lack of transparency within national tax systems, and discrimination in favor of foreign investors. OECD members have committed not to introduce new measures that strengthen such features of their tax systems, and to remove the identified harmful features by April 2003. The initiative has also identified 35 jurisdictions as tax havens—locations in which the tax regime facilitates harmful tax avoidance. Six jurisdictions examined as tax havens but not included on this list have already agreed to eliminate harmful features of their tax regimes by the end of 2005. The 35 listed jurisdictions have been given the opportunity to consider such cooperation in advance of a July 2001 publication of a list of uncooperative tax havens, and the adoption by OECD members of policies aimed at directly addressing the concerns thus raised.

Tax practices will also have to evolve to address the new possibilities of a globalized economy. For example, a software product might be conceptualized in the United States, programmed in India, manufactured in Singapore, and then sold all over the world. In such situations it may be difficult to allocate the resulting income in an accounting sense for purposes of assigning tax liability. This issue arises as well with electronic commerce. The global nature of the Internet confounds present definitions of geographic origin and even of what constitutes a transaction. This complicates both the identification of the jurisdiction to which taxes are due and the collection of those taxes. Because the structure of the Internet makes it difficult to trace the identity or even the location of those involved in a taxable activity, national authorities are understandably concerned about the erosion of revenue as activities shift away from “bricks and mortar” firms to amorphous entities operating in cyberspace. Indeed, countries have already encountered difficulties in assigning and collecting taxes on goods ordered through the Internet but delivered in physical form.

Future trade agreements will have to address the status of cross-border trade in electronically delivered products, many of which combine features of both goods and services. To foster growth in electronic commerce, the Administration led the 1998 initiative in the WTO in which members agreed to place a temporary moratorium on duties on electronic transmissions. But electronic commerce is transforming what was formerly trade in goods, such as software diskettes or music on compact disks, into the bits and bytes of purely electronic transmissions. Under the 1998 moratorium these transactions escape international duties, even though otherwise identical products delivered in physical form face the customary tariff regime.

The leaders of the Asia-Pacific Economic Cooperation countries, in their November 2000 Brunei declaration, called for a WTO task force to address the treatment of these items in international commerce.

Intellectual Property

Protection of the intellectual property generated by innovation is crucial to preserving the incentives for the creators of knowledge to continue to innovate. In an international context, differences in legal frameworks and social attitudes toward property rights for these intangible goods can make such protection difficult to establish or enforce. The Administration has been instrumental in pushing for international standards of intellectual property protection, notably through the Trade-Related Aspects of Intellectual Property Rights Agreement included in the Uruguay Round agreement. That agreement has led most U.S. trading partners to adopt modern laws to protect intellectual property and improve enforcement. In addition, the Administration has continued the rigorous review of our trading partners' intellectual property protection. This includes use of the Special 301 provision of U.S. trade law, under which the United States identifies countries that do not provide adequate and effective protection of intellectual property or that deny equitable market access to U.S. holders of intellectual property. Enforcement has been a priority. Since 1996 the United States has filed 14 intellectual property-related complaints with the WTO against countries with lax intellectual property laws. These actions have paid off in increased U.S. exports to countries that are technology imitators. The U.S. Patent and Trademark Office has also provided assistance to numerous foreign countries seeking to improve their intellectual property systems.

The Administration has also taken steps to assist developing countries in addressing certain critical health issues peculiar to those countries, while encouraging the implementation of international treaty obligations concerning intellectual property rights. The United States is helping developing countries gain access to essential medicines through the Millennium Vaccine Initiative, which is designed to accelerate the development of vaccines for such diseases as AIDS, malaria, and tuberculosis. These are diseases that disproportionately affect poor countries and to which private firms might not otherwise devote concentrated research efforts. The initiative includes a proposal for sharply increased funding for disease and vaccine research, as well as \$50 million for the vaccine purchase fund of the Global Alliance for Vaccines and Immunization, a \$1 billion tax credit for sales of new vaccines, and the securing of over \$150 million in vaccine donations from U.S. corporations. The Administration has also called on multilateral development banks such as the World Bank to increase their concessional lending to basic health care services by \$400 million to \$900 million annually. In addition, a joint initiative of the U.S. Trade Representative and

the Department of Health and Human Services is seeking ways to provide direct and effective assistance to developing countries to help them effectively address major health crises.

Making Globalization Work

The continuing challenge for international economic policy will be to ensure that globalization proceeds in a way that allows the United States and the rest of the world to enjoy its benefits, while at the same time seeing that the gains are universally shared. Policies aimed at continued liberalization of capital, labor, and goods markets will help speed economic growth, the diffusion of technology, and the expansion of international trade and investment. It is all too easy—and wrong—to frame the choice as one between unfettered, unregulated global capitalism on the one hand, and protectionism and self-imposed isolation on the other. The reality is more comforting, but also more complicated. We can build a vibrant, more inclusive global economy, but it means finding some way between these two extremes.

Building the right kind of integrated global economy depends on the success of the international community in developing an institutional framework in which global integration can take place and in providing assistance to developing countries so that they benefit from it. To help maintain a stable international economy, the Administration has made considerable efforts to ensure that multilateral institutions such as the IMF, the World Bank, and the WTO foster economic growth and operate in a transparent manner that promotes economic and social harmony (Box 4-3).

Box 4-3. Reforming International Institutions

The United States has taken the lead in efforts to make sure that international institutions such as the IMF, the World Bank, and the WTO are equipped to meet the challenges presented by changes in the global economy.

The IMF has taken several important steps, among them to:

- increase dramatically the transparency of its operations
- strengthen its surveillance of member countries' policies, in particular with a view to reducing vulnerability and encouraging implementation of internationally agreed best practices in areas such as banking supervision and data dissemination

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Box 4-3.—*continued*

- increase the focus on poverty reduction and growth in its support for the poorest countries, and
- streamline its financing instruments, discourage persistent reliance on IMF lending, and encourage early repayment.

The United States has also helped promote important dialogues on international financial issues between industrial and developing economies through forums such as the new G-20 finance ministers group.

In the World Bank and other multilateral development banks, policies and practices have similarly evolved in response to the challenges of globalization. There is now broad agreement that good governance, participation of civil society, country responsibility for sound development strategies, performance-based lending, and effective coordination are key pillars of development assistance. The United States has been a leading advocate of a greater emphasis on the policies that most contribute to poverty reduction and is promoting an agenda for reform that includes:

- greater selectivity in lending, across both sectors and countries
- multiyear operational frameworks that would map out commitments to support governments in tackling social, institutional, and economic barriers that prevent the poor from contributing to and benefiting from growth
- expansion of the provisioning for global public goods, which tend to be underfinanced and undersupplied, particularly in areas where the benefits accrue predominantly to developing countries
- establishment of performance-based frameworks for the allocation of resources to borrowers, and
- increased transparency and accountability, including a presumption of openness in information disclosure policies and a serious set of internal controls that ensure that policies are clearly defined and consistently applied.

The United States is seeking to make the WTO more transparent and thus better understood. The avenues being explored include crafting an agreement among members to provide for more rapid release of documents, ensuring that citizens and nongovernmental organizations can file amicus briefs in dispute settlement proceedings, and opening these proceedings to public observers. As a first step, the Administration has offered to open any dispute panel in which the United States is involved, provided the partner to the dispute also agrees.

To assist the poorest countries, the Administration has also pressed international institutions to focus on increased provision of global public goods such as environmental protection and control of infectious disease. The Administration has also worked to offer debt relief to heavily indebted poor countries serious about undertaking economic reform.

Successful globalization requires a parallel international process of harmonization of national rules, including rules governing the financial system. Such an effort has been going on largely silently for many years in the central banking community: for example, a revision of the Basel capital accord of 1988 is now under way. More recently, in the wake of the Mexican and Asian financial crises of the 1990s, these efforts at harmonization have accelerated, with a focus on the role of international standards and codes in the discussion of reform of the international financial architecture.

Opening Markets to Trade and Investment

Continued progress in opening markets to international trade and investment will contribute to increased growth. One possible direction is to revitalize efforts to expand on the Uruguay Round agreement through a new round of multilateral trade liberalization. Even without a new multilateral round, however, the challenge remains of building on the landmark trade agreements of the past 8 years. This includes extending the Information Technology Agreement to cover a wider range of high-technology products and to begin to address nontariff barriers, and expanding the market-opening initiatives in services trade under the Financial Services Agreement and the General Agreement on Trade in Services. Increased market access for services is particularly important for the United States given the rising importance of services in U.S. exports. Much work also remains to be done in liberalizing trade in agricultural products. Steps to be taken include lowering tariffs, improving U.S. access to potential markets, and reducing trade-distorting domestic supports and export subsidies. An important priority is to remove barriers to trade in biotechnology products, which offer great promise to make agriculture both more productive and friendlier to the environment (Box 4-4). Continued progress in the accession of new WTO members will also help liberalize global markets by extending the reach of WTO disciplines.

As this chapter has argued, trade policy that leads to greater openness helps ensure competition in domestic markets. Although this puts pressure on certain domestic interests—notably on stakeholders in industries newly exposed to international competition—society at large is the real winner, through expanded choice and lower prices for goods and services. This is likely to be particularly true in sectors such as information technology, where lower prices

Box 4-4. The Global Promise of Biotechnology

Agricultural biotechnology based on the application of cellular and molecular biology, by dramatically improving the productivity and environmental sustainability of global food production, has the potential to usher in a new agricultural revolution. Biotechnological methods can be used to increase a plant's ability to control pests and disease or tolerate environmental stress, or to enhance food qualities such as flavor, texture, shelf life, and nutritional content. Biotechnology can also be used to develop diagnostic techniques for testing food safety, to genetically incorporate specific proteins into plants for harvesting as pharmaceuticals, and in animal husbandry to diagnose disease, promote growth, and develop vaccines. Perhaps the greatest gains from agricultural biotechnology are in store for developing countries, where an estimated 840 million people, or 13 percent of the global population, are subject to uncertain food supply, including 200 million estimated to suffer from malnutrition. Use of drought-tolerant, pest-resistant, and nutrition-enhanced crops leads to improved yields and thus enhances food security. Moreover, since their introduction in 1996, the use of genetically modified crops has allowed insecticide and herbicide use in those crops to be reduced in the United States. Lower reliance on toxic insecticides has important benefits for farm workers and wildlife and may reduce the dietary exposure of children and adults to these chemicals.

Applications of agricultural biotechnology have not been developed and introduced as rapidly as medical applications. In part this can be attributed to the uncertain economics of new crops and the need to evaluate risks to human health and the environment. The latter concerns are reflected in consumer resistance to biotechnology products, especially in Europe. By 2000 about 70 million acres of transgenic crops were under cultivation in the United States, out of more than 255 million total acres planted with major crops. However, several U.S. farm and commodity groups have alerted their members to potential economic risks from planting biotech crops. These risks are increasing as some food processors have banned genetically engineered crops from their products. Increased economic risk is also reflected in other countries' export restrictions on certain agricultural products derived from biotechnology. For example, a lengthy EU approval process and a virtual moratorium since 1998 on bioengineered grain varieties were significant factors behind the 90 percent decline in the volume of corn exports to the European Union in 1998. Restrictions on agricultural commodities and food products derived from biotechnology in industrial countries have raised

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Box 4-4.—*continued*

concerns in developing countries as well. However, wide differences exist within the developing world, with some countries strongly embracing the technology for reasons of food security and other potential economic gains, while others have shown reticence.

A central goal of this Administration has been to ensure that decisions on the use and regulation of biotechnology products are made on the basis of scientific evaluation—a principle enshrined in the Agreement on Sanitary and Phytosanitary Measures concluded as part of the Uruguay Round. The agreement requires that food, animal, and plant health and safety regulations that affect trade flows be based on scientific evidence. The Codex Alimentarius of the United Nations' Food and Agricultural Organization provides a universal food standard that may be used as a basis for countries' regulatory measures. Scientific evaluation is the appropriate basis on which to define which measures are appropriate to achieve the legitimate goal of public health protection.

The United States continues a more than 20-year program to evaluate the implications of scientific advances such as biotechnology on public health. This includes assessment of the long-term impacts of genetically modified foods on human health and the environment. The National Academy of Sciences has undertaken a series of projects to examine the efficiency and integrity of U.S. biotechnology regulation. These include analyses of the assessment and monitoring of environmental risks and a broad review of available evidence on human health effects associated with genetically engineered foods. The Council on Environmental Quality and the Office of Science and Technology Policy are coordinating an interagency assessment of Federal environmental regulations pertaining to agricultural biotechnology. As a complement to these two steps, the Administration has also called for an expanded program of research focusing on current and future biotechnology safety issues.

that lead to increased network usage will have positive spillovers for the entire economy. In many developing countries, these are also sectors with dominant local firms for which foreign entry is likely to provide the only sustainable competition. Continuing efforts to open foreign markets to U.S. exports can thus lead to a win-win situation for the United States and its trade partners. To make this happen, it is vital to ensure that the market-opening provisions of trade agreements are fully implemented and U.S. trade laws vigorously enforced. Efforts at enforcement have included recourse to the improved dispute settlement mechanism at the WTO and, at home, creation of a trade compliance center at the Department of Commerce.

Arguments for the benefits of open markets apply with equal force here at home. Here the task is to extend the decades-long process of reducing U.S. trade barriers, particularly those faced by the least-developed countries, while spreading the benefits of trade liberalization as widely as possible and taking care that the costs of adjustment are not borne solely by a few. Substantial progress has been made in this regard, including the elimination of tariffs on some 2,000 items. Moreover, through the Generalized System of Preferences, the United States provides duty-free access to some 4,600 items from developing countries. This program promotes economic growth and development in these countries by stimulating their exports. Additional liberalization has been targeted to particular regions, including Sub-Saharan Africa through the African Growth and Opportunity Act, and the Caribbean through the Caribbean Basin Trade Partnership Act.

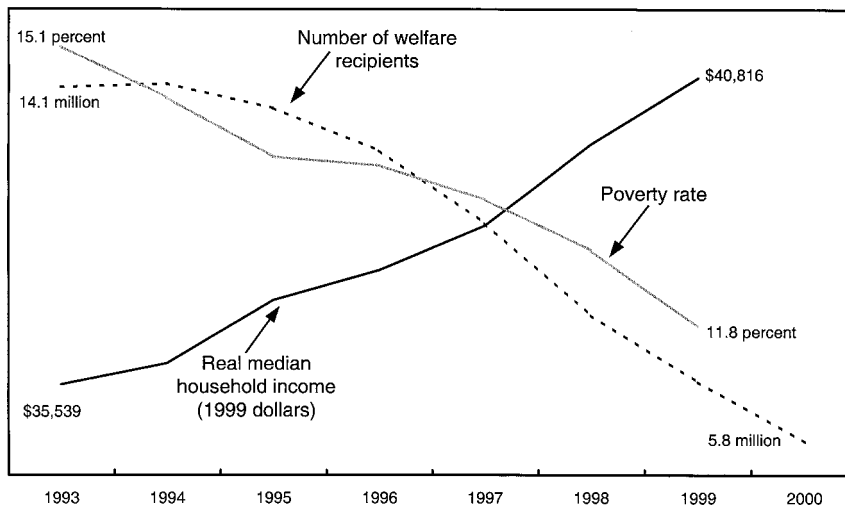
One challenge for trade policy is to know when to do nothing—to resist the inevitable domestic pressures for protection from imports while at the same time enforcing U.S. trade laws that aim for trade to be free and fair. The political economy of trade protection is well understood: the benefits of trade liberalization are spread over a large number of consumers, each of whom gains only a little, whereas the beneficiaries of trade restrictions tend to be more concentrated and thus have greater incentives to push for protection. The challenge for policymakers is to remain focused on the benefits of free trade while helping those individuals and communities adversely affected by change.

Conclusion

Access to global trade and investment flows has played a vital role in creating the New Economy in the United States. Openness gives us crucial inputs of goods and capital that have lowered costs and raised efficiency. And the availability of the larger world market allows U.S. firms to enjoy scale economies and thus increases the rewards from innovation. The achievements of the past 8 years have provided solid momentum toward opening markets and expanding trade. Building on this progress is vital for both the United States and the rest of the world. Continued globalization is central to ensuring that the diffusion of technology and knowledge to other countries leads to improved economic performance on a global scale, mirroring what has already occurred in the United States. Stronger world growth is in the profound national interest of the United States. Global prosperity is not only likely to result in increased U.S. exports and continued strong growth in domestic employment and income; it can also be a major contributor to international harmony.

Living in the New Economy

Improvements in Income, Poverty, and Welfare Reciprocity



Note: Annual figure for welfare recipients is the average monthly number, except for 2000 which is the June number. Real income is computed using the CPI-U-RS.

Sources: Department of Commerce (Bureau of the Census) and Department of Health and Human Services.

Strong economic growth since 1993 has raised incomes, lowered poverty, and helped reduce welfare rolls.

This Administration came to office on a platform of “putting people first.” The Administration has kept that pledge. Although the phrase “New Economy” typically brings to mind technological innovation and globalization, arguably one of the most important changes from the old economy to the new has been an improvement in the well-being of the American people. By virtually any measure, Americans are better off today than they were 8 years ago.

The private sector has demonstrated great entrepreneurial dynamism and technological sophistication in bringing us the New Economy. But we need to recognize that even in a New Economy, private markets alone, for all their virtues, will not guarantee that all our national goals will be met. Private markets can create wealth, but they cannot ensure that all citizens, even those able to find jobs, will have adequate incomes. Nor will private markets ensure that all citizens have access to quality education and health care. Similarly, although private markets can generate growth, they cannot ensure that growth will reach all communities. Nor will purely private markets necessarily deal with the side effects of growth on both the environment and urban congestion.

Many of our most difficult national challenges will require government intervention through policies that assist individuals and communities in danger of

being left behind. This chapter, therefore, considers policy areas that have a major impact on the opportunities given to all Americans to create a better life for themselves and their children. In particular, the chapter outlines recent reforms in the Nation's welfare system and policies designed to improve the educational system, expand health insurance coverage, and ensure smart growth. It also describes the considerable progress that has been made and identifies the tasks that remain to be accomplished.

Although the New Economy may not meet these challenges on its own, the faster growth it has generated does make meeting them considerably easier. In addition, the innovations that have occurred in information technologies, organizational redesign, and policy provide better tools with which to meet them. In each section of the chapter, particular attention is paid to the contributions such innovations have made and can make in improving the quality of life for all Americans. For example, in the welfare system, new policies that make work pay have dramatically reduced the number of families receiving cash assistance, while increasing employment. In education, educators have worked to implement higher standards for students and teachers and have brought aspects of the New Economy into the classroom through the increased use of computers. In health care, innovations in medical technology and managerial practices have increased the quality of care and helped rein in costs. Finally, across our communities, some localities are taking advantage of new techniques to combat problems of congestion and pollution and ensure smart growth practices. This chapter elaborates on these and similar policies that have helped grow the work force, sustain strong economic growth, and improve the quality of life for all Americans.

Good News from the American Economy

Record-setting gains in the stock market and growth in the net worth of wealthy individuals have received wide media coverage. But the most noteworthy aspects of the current economic expansion are its duration and its reach. The last few years in particular have brought tremendous gains to all segments of our society.

Employment gains have been dramatic. Between January 1993 and November 2000, 22.4 million new jobs were created. In 1999 the unemployment rate reached 4.2 percent—the lowest annual rate since 1969. Just as important, unemployment has stayed low, remaining below 5 percent for 41 consecutive months through November 2000. At the same time, wages have been increasing. After declining consistently from 1986 to 1993, real hourly wages for private sector workers rose by 7.4 percent between 1993 and 1999. These gains in employment and wages are echoed in growth in

income and reductions in poverty. The real median household income reached a new high of \$40,816 in 1999, an increase of 2.7 percent since 1998 and a total increase of 13.3 percent from 1993. In 1999 the poverty rate fell to 11.8 percent, its lowest level since 1979 and 3.3 percentage points below the 1993 rate of 15.1 percent.

These gains were shared by Americans at all income levels. Between 1998 and 1999, real income grew by 4.4 percent for those at the 20th percentile and by 3.5 percent for those at the 80th percentile. (The household at the 20th percentile has an income higher than 20 percent of all households and lower than the other 80 percent.) From 1993 to 1999 the comparable figures for real income growth were 15.0 percent and 14.2 percent, respectively. In addition, the most disadvantaged groups tended to experience the greatest improvements in financial well-being. Household incomes for African Americans and Hispanics saw record one-year increases, rising to all-time highs. The real median income for African-American households increased 7.7 percent between 1998 and 1999 (it is up 23.9 percent since 1993), climbing to \$27,910. The real median household income for Hispanics rose to \$30,735, an increase of 6.1 percent between 1998 and 1999 (and 16.5 percent since 1993).

In 1999, unemployment for African Americans and Hispanics fell to the lowest rates on record. African Americans saw unemployment fall from 13.0 percent in 1993 to an average of 7.6 percent for the first 11 months of 2000, while Hispanics saw their unemployment rate drop to an 11-month average of 5.7 percent (Chart 5-1). Male earnings have also increased, particularly for African Americans. Between 1998 and 1999 the real median earnings for full-time African-American male workers increased by \$2,379 in 1999 dollars, or 8.6 percent—a dramatic rise for a single year. With this sharp increase, the ratio of African-American male to white male earnings rose to 0.81, the highest level ever recorded.

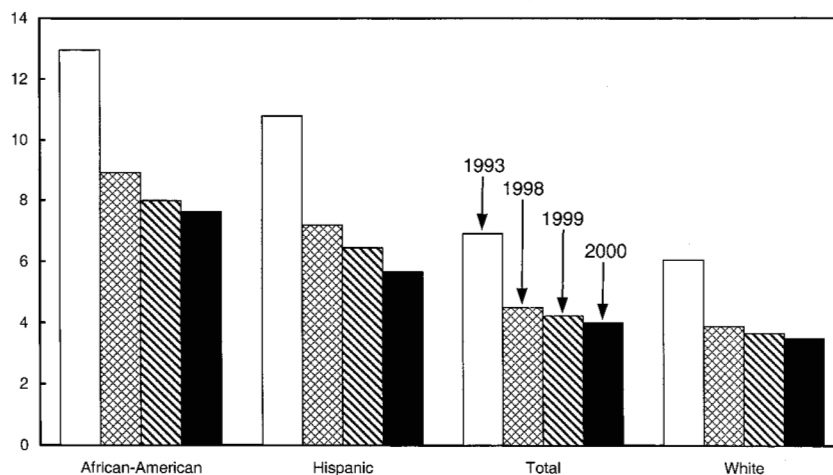
Along with record increases in income have come record lows in poverty rates (Chart 5-2). The decrease in the poverty rate for African Americans between 1998 and 1999 was the largest 1-year decline in percentage terms since 1967-68, and the poverty rate for this group in 1999 reached an all-time low of 23.6 percent. Hispanics also experienced a record drop in poverty. At 22.8 percent, the poverty rate for this group is now at its lowest since 1979.

In the past, economic gains have often had a limited impact on households headed by women. Since 1993, however, the strong economy and a social welfare policy that emphasizes work have brought substantial benefits to this group. In March 1993 just 56.8 percent of women maintaining a family on their own were employed; this figure rose to 63.4 percent in March 1998 and 65.2 percent in March 1999. This increase in employment corresponded to an increase in income. Between 1993 and 1999 the median income for these

Job opportunities grew after 1993, and the African-American and Hispanic unemployment rates reached record lows in 2000.

Chart 5-1 Unemployment Rates by Race and Hispanic Origin

Percent of labor force



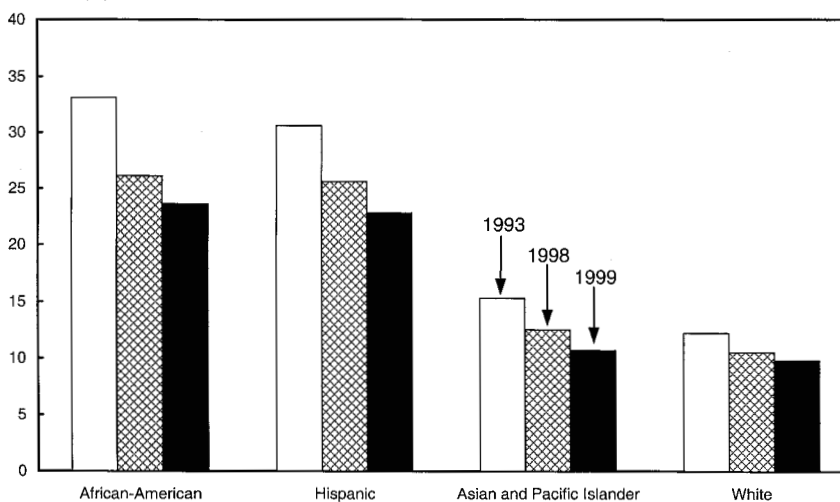
Note: Figures for 2000 are 11-month averages.

Source: Department of Labor (Bureau of Labor Statistics).

Poverty rates fell for all measured racial and ethnic groups after 1993, with the largest declines for African Americans and Hispanics.

Chart 5-2 Poverty Rates by Race and Hispanic Origin

Percent of population



Source: Department of Commerce (Bureau of the Census).

families increased by 18.0 percent. Between 1998 and 1999 alone, the increase was 4.8 percent. The poverty rate for people in families headed by females also fell, from 38.7 percent in 1993 to 33.1 percent in 1998 and 30.4 percent in 1999.

Within this group are those most likely to have been affected by welfare reform: low-income single mothers and their children. (Low income is defined here as an income below 200 percent of the poverty line.) An analysis of a recently completed survey indicates that between 1997 and 1999 the proportion of low-income single mothers between 25 and 54 who were employed increased from 59.7 percent to 65.2 percent. Children as well as their mothers benefited from this change. Between 1998 and 1999 the poverty rate for children fell by 2 percentage points, to 16.9 percent, the lowest level since 1979 and the largest percentage-point decline since 1966. Poverty among African-American children declined by even more in absolute terms, falling by 3.6 percentage points to 33.1 percent. Since 1993 the poverty rate for all children has fallen by 5.8 percentage points.

Older Americans have also benefited from economic growth. In 1999 the poverty rate among the elderly fell below 10 percent for the first time on record. With the elimination last year of the Social Security earnings test for those aged 65 and over, older Americans will likely participate in the labor force in greater numbers, further improving their financial status.

In the past, residents of our central cities have seen little change in their poverty levels, yet here, too, the situation is improving. Over the last several years, central-city residents in large metropolitan areas experienced an above-average increase in median income and the largest declines in poverty of any geographic category.

The gains experienced by Americans over the past 8 years have not been limited to financial gains but include a long list of improvements in the quality of life. Low interest rates and a strong economy have contributed to the highest home ownership rate ever in America. In the third quarter of 2000, 67.7 percent of American families owned a home, up from 63.7 percent in the first quarter of 1993 and surpassing the Administration's goal, set in 1995, of 67.5 percent. Improvements in job opportunities, in combination with Administration initiatives to hire additional police officers, strengthen gun laws, and increase local resources to improve public safety, have contributed to a dramatic reduction in crime. In 1999 the overall crime rate fell to its lowest level in 26 years.

Again, some of the least well off Americans have benefited most. The violent crime victimization rate among those with annual household incomes of less than \$7,500 fell at an average annual rate of 4.7 percent between 1993 and 1999, while victimization rates for those with incomes of \$75,000 or more fell

at an average annual rate of 2.8 percent. During the same period the number of violent crimes perpetrated against African Americans declined by an average of 4.6 percent per year, while whites experienced a 3.0 percent annual decline. Patterns by race for property crimes are similar.

The Nation's schools today are also showing improvements on several fronts. Between 1993 and 1998 the proportion of high-school graduates going directly to college grew by nearly 7 percent, and college enrollment is at an all-time high. Math SAT test scores have reached their highest level in 30 years, and average verbal SAT scores have held steady even though the number of nonnative English speakers taking the exam has increased. Minorities have also made notable academic achievements. Among high-school graduates aged 18–24, the proportions of African-American and Hispanic students continuing their education at a 4-year college are at record highs.

Improvements have also been made in the public health arena. The birth rate among teenagers declined 17 percent between 1993 and 1999. Infant mortality was down from 8.4 deaths per thousand in 1993 to 7.2 per thousand in 1998. Between 1997 and 2000 smoking among teenagers declined after rising for most of the decade. Over the past several years, death rates attributable to heart disease, cancer, stroke, and AIDS are down, and life expectancy has improved. A child born in 1998 can expect to live 76.7 years, up from 75.5 years in 1993.

Although these statistics present a glowing picture of the New Economy and the well-being of the Nation as a whole, more work remains to be done. Despite the recent gains, the incomes of minority groups remain significantly below those of whites, and their poverty rates significantly above. Infant mortality rates and life expectancy also differ substantially by race and ethnicity, as does access to a quality education. Certain areas of the country continue to experience unemployment rates of more than 10 percent, as well as distressingly high levels of poverty. Many Americans still lack health insurance coverage and access to adequate medical care.

Innovative policies have helped us share many of the gains of the New Economy, reduce the number of people on welfare, and improve employment opportunities. But new policies may be needed to contend with future changes in the economy. A slowing of economic growth will likely be felt most severely by those who have only recently begun to share in its benefits. Those most recently employed may lose their jobs and accompanying benefits such as health insurance. Federal, State, and local governments may feel pressure to cut back on investments in education if their revenues decline. Thus, continued improvements in the well-being of the American people likely depend on both sustained economic growth and active public policy.

Helping Families Help Themselves

The New Economy is popularly characterized by new technologies, new methods of communication, and new avenues of trade. But it also brings innovative ways of providing for the least well off Americans. Substantial changes have taken place in the organization of our welfare system and in the incentives it provides. These innovations, and in particular policies designed to increase the benefits of work, such as child care subsidies and rules that increase the fraction of earnings that welfare recipients can keep, have changed the tenor of American social welfare policy. Public policy now emphasizes employment and investment in the skills of those who are less well off. In doing so the Administration has helped low-income families leave welfare and enter the labor market, thereby promoting a more equitable distribution of the gains from the New Economy.

Welfare Reform

Two of the most impressive achievements of the past 8 years have been the reduction in the number of Americans receiving welfare, and the increase in the numbers of current and former welfare recipients who are working. The Administration has worked hard to reform welfare. It began by allowing a record number of States to implement changes in their welfare programs on an experimental basis, through waivers from Federal welfare regulations. As of August 1996, 43 States had received waivers and set up alternative programs that emphasized work and parental responsibility.

These changes at the State level were followed by changes at the national level, in particular the bipartisan Personal Responsibility and Work Opportunity Reconciliation Act signed by the President in 1996. This act replaced the Aid to Families with Dependent Children (AFDC) program with one that provides needy families with temporary assistance, established time limits for receiving welfare benefits, and shifted the emphasis from simply providing assistance to helping families leave welfare and enter the labor market. Policies that offer tax credits to subsidize the earnings of low-income workers, provide assistance with child care, and expand eligibility for health insurance support the welfare-to-work transition.

The new program, Temporary Assistance for Needy Families (TANF), differs from the AFDC program in three fundamental ways. First, it gives States much more discretion in using Federal funds. Under the AFDC program, States set eligibility and benefit levels (within Federal guidelines) and received matching funds from the Federal Government to help with the program costs. The new program provides States with block grants that are used to finance cash benefits, job preparation, and other worker support programs. States now have much

more flexibility in spending, and they have used this flexibility to meet the particular demands of their constituencies—for example, allocating additional funds for child care subsidies or allowing welfare recipients to keep a greater fraction of their earnings. States are also eligible for bonuses for helping people get and keep jobs and decreasing out-of-wedlock births. In the future, bonuses will be offered for increasing participation in the food stamp, Medicaid, and children's health insurance programs; for providing child care to a larger fraction of eligible children; and for increasing the proportion of children living in married-couple families.

Second, the new system imposes time limits and work requirements on welfare recipients. In general, States can no longer use Federal funds to pay benefits to recipients beyond a lifetime limit of 60 months. States can exempt some recipients from this requirement, set even shorter time limits, or use their own funds to continue support beyond the 5-year limit. In 1999, 38 States used the 60-month time limit, and the remainder implemented other policies (8 States had shorter time limits, 3 had no time limit, and others intended to use longer periods). Recipients must also work in some capacity after receiving benefits for 2 years, but States have flexibility in deciding how to implement this requirement, particularly in terms of strengthening it. In 1999, 28 States had welfare policies that imposed immediate work requirements rather than the 2-year requirement.

Finally, States can now design the parameters of their program to suit the needs of their residents. Although even before 1996 States had the freedom to set benefit levels, the new program allows them to set income and asset limits for eligibility as well and to establish their own methods of calculating the income of potentially eligible families. The majority of States have used this freedom to decrease the implicit tax on earnings. The AFDC program reduced benefits dollar for dollar for any earnings of more than \$90 per month after 12 months of work. This 100 percent "tax" on earnings created a strong disincentive to work, as it was possible for a recipient to see little if any increase in income from additional hours of work. Many States now use a more gradual benefit reduction rate to encourage greater work force participation. They are also investing in a wide range of supports to help welfare recipients and other low-income working families enter the work force and succeed on the job.

The Effects of Welfare-to-Work Programs

Since August 1996, welfare caseloads have fallen dramatically. Between August 1996 and June 2000, the number of people receiving welfare declined by half, to 5.8 million. Including reductions that have taken place since 1993, caseloads have fallen by 8.3 million, or 59 percent. Declines in some States have been even more dramatic. In Wisconsin, for example, the number of welfare recipients fell by 75 percent between August 1996 and June 2000, and it has fallen by 84 percent since 1993.

The 1996 reforms have undeniably been successful in reducing the number of people receiving welfare. But reductions in caseloads are not the only measure by which to judge the reforms: the well-being of the millions of former welfare recipients is at least as important. Much of what we know about outcomes for welfare leavers comes from studies undertaken in individual States. To date, studies monitoring the outcomes of those who have left welfare have been conducted in over 30 states. In addition, some of the data from State waiver experiments undertaken before the nationwide welfare reform have implications for current programs.

Available data on the results of welfare reform often differ from State to State and do not represent nationwide averages. This Report therefore supplements this information with new results based on the Census Bureau's Survey of Income and Program Participation (SIPP), providing some of the first evidence on the effects of welfare reform for a nationally representative sample. The results from the SIPP are based on a sample of people who were observed for at least 12 months after leaving the welfare rolls. These individuals were first observed between December 1995 and March 1996 and were reinterviewed every 4 months until the period between November 1998 and February 1999, the exact month depending on the month of the initial interview. The new data cover the experiences of some of those first affected by welfare reform and may not reveal the effects of the time limits on receiving benefits or the long-term impact on families.

One of the most important issues in evaluating welfare reform is the incidence of recidivism, that is, the return of individuals to the welfare rolls. Both SIPP data and a synthesis of State studies show that approximately 25 percent of those who leave welfare return within 12 months. (Most studies of recidivism, including those cited here, do not treat transitions of less than 2 months as true changes.) The majority of those who do return to welfare do so quickly: the SIPP data show that 18 percent of those who exit return within the first 6 months of leaving, and only 7 percent during the second 6-month window. Further, the probability of returning to welfare declines with time. In Maryland 25 percent of former recipients returned to welfare within 12 months, but only 10 percent returned in the next 12 months, and approximately 1 percent did so in the third 12-month period.

Helping Welfare Leavers Find and Keep Jobs

A key factor in success after welfare is the ability to obtain a job and remain employed. The Administration provided a total of \$3 billion in fiscal 1998 and fiscal 1999 in the form of Welfare-to-Work grants to help States and local communities move long-term welfare recipients and noncustodial parents into jobs. The Administration also implemented the Workforce Investment Act, which allows States to provide job placement assistance to residents, with priority given to low-income individuals (Box 5-1).

Box 5-1. The Workforce Investment Act

The Workforce Investment Act of 1998 was the result of a bipartisan effort by the Congress and the Administration. The law requires that basic job and career information and assistance be available to all Americans and creates a system developed around one-stop career centers in order to knit together multiple programs at the local level. The law also provides for intensive assessment, counseling, job search assistance, and training, with priority given to people on public assistance and to low-income individuals.

The law initiates three reforms that are designed to maximize training choices: individual training accounts, systems for identifying eligible training providers and their programs, and extensive information on program performance such as success in job placement, post-placement earnings, and rates of skill attainment. These reforms were designed so that trainees will have the opportunity and the purchasing power to enter the training program of their choice rather than be channeled into one of a handful of locally contracted programs. The reforms provide an abundance of reliable information that will empower trainees, allowing them to make informed choices.

Employment programs for welfare recipients generally use one of two approaches to helping welfare leavers find jobs. The “work first” approach aims to get people employed as quickly as possible. It is based on the belief that work itself will give inexperienced workers the skills (human capital) they need to remain in the labor force and move to increasingly better jobs. This approach focuses on maintaining an attachment to the labor force rather than on initial wages. The alternative approach relies on comparatively extensive education and training before welfare leavers enter the labor market. It delays their entrance into the work force in the expectation that, once employed, they will have better jobs than they could otherwise have obtained.

The work-first approach is the more common, and past studies of initial outcomes have indicated that it is the more successful: gains in employment levels and earnings for program participants were higher in areas with work-first programs than in areas using a training-based approach. However, a new study comparing outcomes across counties in California over a 9-year period finds that results for the two approaches are similar in the long term. A separate study comparing the outcomes of 11 different welfare-to-work programs over a 2-year period finds that the most successful approach combined an emphasis on work with assistance in completing the General Educational Development (GED) diploma.

Employment rates among former welfare recipients are high. Administrative data from studies conducted in several different States show that between 62 and 75 percent of those leaving welfare were employed at some point in the following year, and approximately 40 percent were employed in all four quarters. Results are similar at the national level. SIPP data show that 66 percent of welfare leavers were employed at some point in the following 12 months, and 43 percent had earnings in all four quarters. However, few leavers were continuously employed. Only 32 percent of welfare leavers worked 50 weeks or more during the year, and just 40 percent of this group (12.8 percent of all leavers) worked 35 or more hours in each week. Thus, although labor force participation has increased significantly among former welfare recipients, there is considerable room for further gains.

Importantly, employment rates increased even among those who remained on welfare. In fiscal 1999, 33 percent of welfare recipients were working, compared with fewer than 7 percent in 1992. Developing an attachment to the labor market even while on welfare is important, because it increases the probability of success after leaving welfare.

The importance of the booming economy to these successes should not be understated. Theories of human capital accumulation and the tenets behind work-first programs suggest that time spent working increases productivity, job skills, and wages. The long economic expansion and historically low unemployment rates have given current and former welfare recipients the chance to accumulate work experience that would be expected to serve them well in a future downturn. The longer the expansion continues, the better prepared they will be to weather the consequences.

Earnings

Although employment is important in and of itself, so, too, are earnings. Welfare leavers are unlikely to thrive in the workplace if they are no better off financially than they were before leaving the welfare rolls. Evidence from State studies indicates that, at least initially, few leavers are significantly better off. Median quarterly earnings for those who found employment varied from \$2,000 to \$3,000, or approximately \$700 to \$1,000 per month. For the majority of leavers in Wisconsin, earnings after leaving welfare were lower than the sum of earnings and welfare benefits prior to exit. For the sample of SIPP leavers, the median monthly household income plus food stamps for the year following exit was \$1,605, compared with \$1,509 in the 2 months preceding exit. For 44 percent of leavers, household income plus food stamps in the year following exit was more than \$50 per month higher than in the months before; for 49 percent it was at least \$50 lower.

The idea behind work-first programs is that an initial job will lead to earnings growth over time. Because many former welfare recipients find

employment in low-wage industries such as food services, their prospects for earnings growth may not seem extremely bright. Yet 39 percent of SIPP leavers had monthly earnings in the second 6 months after leaving welfare that were \$50 or more higher than in the first 6 months. Twenty-eight percent saw a reduction in earnings of \$50 or more over the two 6-month periods immediately following exit. Thus at least some former welfare recipients did have earnings growth in the year of exit through increases in hours, wages, or both.

Income gains from the Earned Income Tax Credit (the EITC is discussed in detail below) are not included in these calculations. Although its benefits are not recorded in the SIPP data, the credit provides a substantial subsidy to low-income workers, and including its effects would improve incomes and poverty rates considerably. Although its figures do not focus specifically on welfare leavers, the Census Bureau estimates that in 1999 the fraction of households with after-tax incomes of less than \$10,000 a year falls from 9.9 percent to 9.3 percent when the EITC is factored in. At a maximum credit of \$3,880 in 2000 for a low-income worker with two children, the EITC could add up to \$323 per month to a family's income.

Making Work Pay

As the earnings of welfare recipients increase, they can lose not only their cash assistance but also other benefits such as food stamps and Medicaid. At the same time, they incur explicit payroll taxes and additional expenses associated with work such as child care and transportation costs. In the past these costs have been large. One study found that the implicit marginal tax rate for AFDC recipients—the net amount paid in taxes, forgone benefits, and work-related expenses from a \$1 increase in income—could easily exceed 50 percent. In other words, earning \$1 more in the labor market increased their disposable income by less than 50 cents.

The Administration's welfare reform proposals have attempted to reduce these implicit taxes and increase the rewards from work, through a higher minimum wage and an increased EITC, through increased subsidies for child care, and through expanded health insurance coverage that includes working families not previously eligible for public programs. The Administration has also worked to help single parents collect the child support payments due them. These programs do more than help ease the transition from welfare to work; they also benefit working families who may have never received welfare. By reaching out to both groups, the Administration has worked to ensure that no working family is left behind.

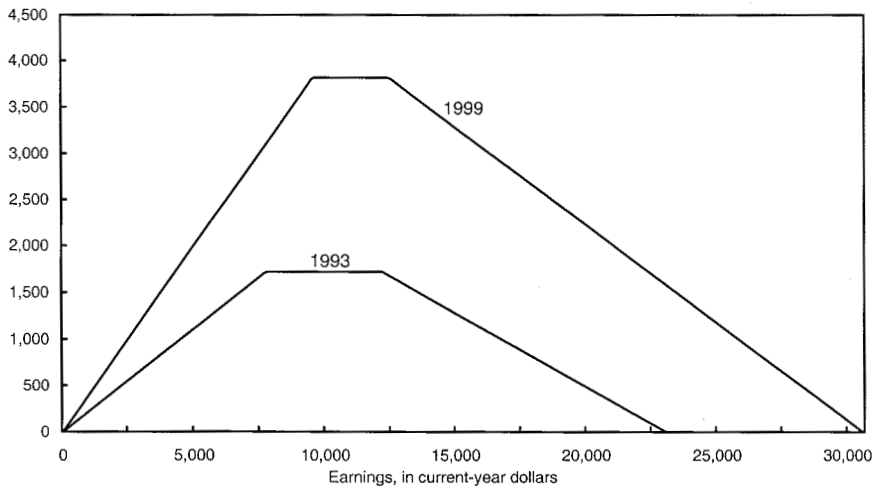
The Earned Income Tax Credit

Operating through the income tax system, the EITC provides a wage subsidy for many low-income workers. The amount of the subsidy depends on how much the family earns and on whether the family has zero, one, or two or more children. By effectively increasing the wage rate, the EITC offers those eligible an added incentive to participate in the labor force. In 2000, families with two or more children received a subsidy of 40 cents for every dollar of earned income up to \$9,700, for a maximum credit of \$3,880. This tax credit is refundable, so that even families who pay little or no income tax can benefit fully from the tax provision. Rather than falling to zero when earnings surpass \$9,700, the credit remains at \$3,880 until earnings reach \$12,700 and then gradually declines. For two-child families it phases out completely when earned income reaches \$31,152 (Chart 5-3). The gradual phaseout reduces the disincentive to earn income beyond the level at which the credit peaks.

The EITC has been expanded greatly since 1990, with increases in both benefits and scope of coverage. The 1993 expansions increased benefits for approximately 15 million tax-filing units (assumed to be roughly equivalent

The EITC was expanded greatly after 1993.

Chart 5-3 Maximum Real EITC Benefit by Family Earnings, 1993 and 1999
Constant 1999 dollars



Note: Maximum EITC benefit is that for a family with two or more qualifying children. Real benefit is computed using the CPI-U-RS.

Sources: Department of Labor (Bureau of Labor Statistics) and U.S. Congress (Joint Committee on Taxation).

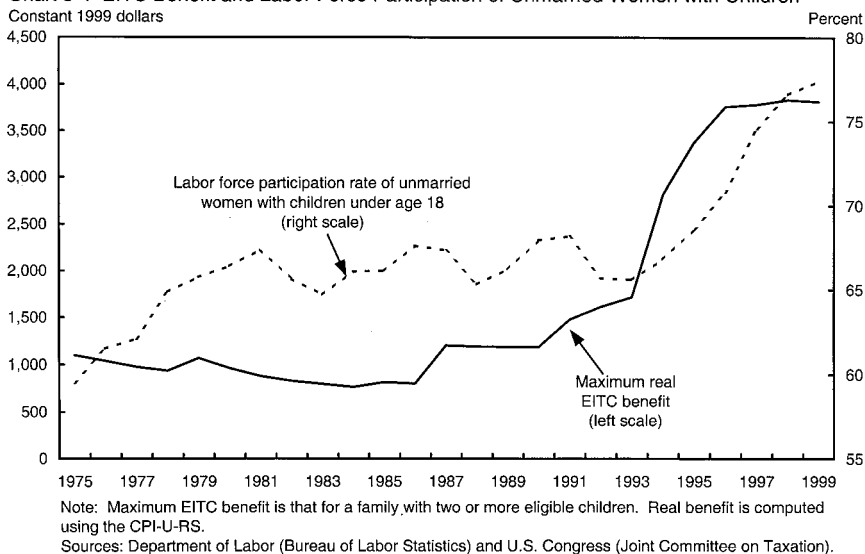
in number to households), in large part by raising the subsidy for families with two or more children. The 1993 expansion also, for the first time, allowed workers without children to claim a tax credit. As a result of both the 1990 and the 1993 expansions, credits paid increased from \$15.5 billion in 1993 to nearly \$31 billion in tax year 1999. At the same time, the number of tax returns claiming the EITC increased by roughly 30 percent, from 15 million to nearly 19 million. The program now pays out nearly as much as the Federal outlays on the TANF and food stamp programs combined.

This wage subsidy has been effective in attracting more workers into the labor market (Chart 5-4). According to one estimate, the EITC alone was responsible for 34 percent of the increase in annual employment among unmarried mothers between 1992 and 1996.

In addition to increasing the probability of employment for low-income people, the EITC has done much to improve the well-being of those who receive it. Many workers do not have jobs that pay enough to raise their incomes above the poverty level. But when the credit is taken into account, the earnings of these workers can rise substantially. Calculations of after-tax income excluding and including the EITC indicate that in 1999 the credit lifted 4.1 million individuals out of poverty. Of these, 2.3 million were children. The provision has also been effective in targeting benefits to the most needy. Estimates based on 1997 data indicate that between 50 and 60 percent of its benefits accrue to families with incomes below the poverty line.

A leap in the labor force participation rate of unmarried mothers closely followed increases in the maximum EITC benefit.

Chart 5-4 EITC Benefit and Labor Force Participation of Unmarried Women with Children
Constant 1999 dollars



The Minimum Wage

The minimum wage operates in tandem with the EITC: the credit provides an effective wage subsidy, and the minimum wage laws ensure that the subsidy is based on an acceptable wage. The real value of the minimum wage declined substantially from 1992 to 1995, falling to just 71 percent of its peak value, recorded in 1968. Subsequent Administration-backed efforts led to increases in the minimum wage in 1996 and 1997. Even with these most recent increases, however, the minimum wage in 1999 was less than 80 percent of its 1968 level (after controlling for inflation).

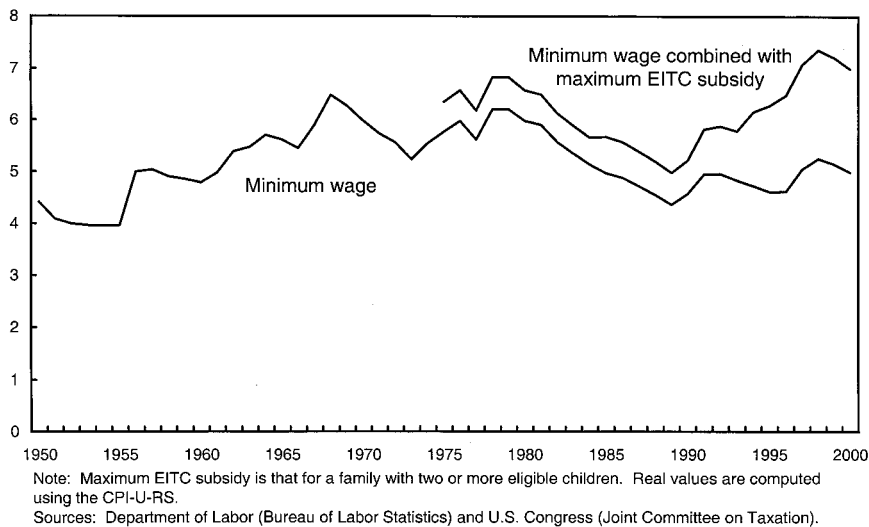
However, when the minimum wage is combined with a possible 40 percent subsidy from the EITC, the true minimum wage for workers with two or more children and earnings of less than \$9,700 is \$7.21 an hour (Chart 5-5). This hourly rate is higher in real terms than the peak minimum wage rates of the 1960s. Even so, an individual working full-time at the minimum wage would have a yearly income of just \$14,188 (including the credit), well below the poverty line for a family of two adults and two children.

Child Care

For many parents, one of the most difficult barriers to employment is finding affordable, good-quality child care. For low-income families and new entrants to the labor market, the costs of child care may make working impossible. Recognizing these costs as a barrier to work, the Administration

When combined with the real maximum EITC subsidy, the real minimum wage is as high as it has ever been.

Chart 5-5 Real Minimum Wage Combined with the Real Maximum EITC Subsidy
Constant 1999 dollars



has worked to make child care more affordable for low-income families and to provide assistance with child care expenses to a greater number of families. Federal funding for child care has increased substantially, and the various existing child care programs have been combined to create the Child Care and Development Fund. This fund provides States with block grants for the purpose of subsidizing approved child care arrangements. States can transfer additional funds from their TANF block grants to help finance child care subsidies. In fiscal 1999, States spent a total of \$5.2 billion in Federal dollars on child care, including both child care allocations and TANF block grant transfers. They also added \$1.6 billion of their own funding. These resources benefited an average of 1.8 million children per month. Despite this investment, however, many States have waiting lists for benefits, and many families who qualify for the subsidies do not receive benefits. It is estimated that only 12 percent of eligible children were served by this program in fiscal 1999.

The Food Stamp Program

The food stamp program helps to ensure that low-income individuals receive adequate nutrition. Benefits are available to households with incomes up to 130 percent of the poverty line. In fiscal 1998 the vast majority of benefits (nearly 90 percent in dollar terms) went to households with children or elderly individuals. In 1999, 27 percent of participating households had earned income. Enrollment in the food stamp program has fallen dramatically since 1994, from a high of 27.5 million participants to 18.2 million in 1999, in part because of the strong economy. Of concern, however, is the fact that the participation rate for eligible families declined from 71 percent in September 1994 to 62 percent in September 1997. This decline is particularly marked for families with children. In 1999 only 51 percent of children in families with incomes below the poverty line received food stamps. Even among the very poorest children—those in families with incomes less than 50 percent of the poverty line—data indicate that only 58 percent received food stamps in 1999, down from 76 percent in 1993. (Not all poor families are eligible for food stamps. Limitations on the value of assets that an eligible family may hold may exclude some families.)

Several factors could be responsible for the decline in participation. Changes in the laws governing the program have excluded some immigrants and restricted the eligibility of able-bodied adults without dependents, decreasing the pool of potential participants. The strong economy and the growing number of people with jobs may have further reduced the number of eligible individuals. But these factors alone cannot explain all of the steep decline in participation rates, and it is likely that some eligible families are not receiving the benefits they need (and are entitled to receive). This is especially true of families just leaving the welfare rolls. Rules governing participation in the program are often a factor here. States require that wage-earning food stamp recipients have

their incomes recertified at regular intervals, often every 3 months and even more frequently in some States. For low-wage earners without much time off, this requirement could well be a substantial deterrent to participation. A recent study underscored this concern, attributing a large portion of nonparticipation to the costs to recipients of regular recertification.

In response to these recent trends, the Administration has implemented a series of changes in the regulations governing the food stamp program. These changes substantially reduce the need for recertification for those leaving welfare and the newly employed and give States greater flexibility in processing applications. States will soon be able to receive bonus awards under the TANF program for increasing participation rates for low-income working households. In the future, \$20 million will be allocated for these awards. Finally, the Administration has provided funding for educational and outreach campaigns aimed at improving nutrition for low-income families and the elderly.

Child Support

Child support payments from noncustodial parents are an important source of income for poor children. In 1997 child support lifted an estimated half a million children out of poverty. Child support is particularly important for families leaving welfare. Divorced or separated women who leave welfare and do not receive child support have a significantly greater chance of returning within 6 months than those receiving even small amounts of child support.

An important component of the Administration's policies to help working families is ensuring that single and divorced parents receive the child support payments they are entitled to under the law. Between fiscal 1992 and fiscal 1999 the dollar value of child support collections doubled, from \$8 billion to \$16 billion—an increase of more than two-thirds after adjusting for inflation. During the same period the number of child support cases involving collections increased from 2.6 million to 6.1 million.

However, much of the money collected never reaches the custodial parent. Many States reduce TANF benefits dollar for dollar when a noncustodial parent provides support, lowering the incentive for noncustodial parents to provide for their children. The President proposed legislative changes that would make it easier for States to pass along a portion of child support payments to custodial parents receiving assistance. This change would give parents an incentive to cooperate with the system. Some States, such as Wisconsin, are already experimenting with this type of policy, with some success. Results show that noncustodial parents are more willing to pay child support when they know that at least some of the money will go to benefit their child. Ultimately, widespread use of this policy should increase collections of child support payments.

Access to Health Insurance

Historically, individuals and families leaving the welfare rolls have lost their Medicaid coverage as they did so. During the 1980s a series of Medicaid expansions and the introduction of Transitional Medical Assistance began providing health insurance benefits to former welfare recipients and low-income families, easing the transition to work. Before the 1996 welfare reform a Federal mandate required that States offer Medicaid coverage to children and pregnant women in low-income families, regardless of whether they were already receiving welfare. This group included children under the age of 6 and pregnant women in families with incomes below 133 percent of the poverty line, and children between the ages of 6 and 19 in families with incomes below 100 percent of the poverty line. Many States opted for even broader coverage, setting higher income thresholds and covering children of all ages. Adults could obtain Medicaid for up to 12 months after leaving welfare under the Transitional Medical Assistance program or through State programs for the medically needy. The 1996 legislation expanded Medicaid coverage to low-income single-parent and some two-parent families, and to families leaving welfare. In 1997 the State Children's Health Insurance Program (SCHIP) was created to target children in low-income families. SCHIP is further discussed later in the chapter.

Looking to the Future

The success thus far in helping families leave welfare is tempered by the realization that many families still depend on public assistance. As the time limits for TANF begin to bind, the focus must be on how to help those who have been unable to secure employment. Furthermore, as already noted, some who have left the welfare rolls are no better off financially than they were while receiving benefits. Investments in job skills, a continued strong economy, and policies that ensure a living wage can all help these people succeed in the labor force. However, when the economy does begin to slow, policies must be in place to help those who lose their jobs. If former welfare recipients are among the last hired, they may be among the first laid off, and they run the risk of returning to public assistance. These challenges are not insurmountable, but they require the continued commitment of government and the private sector to reach workable solutions.

Reaching out to Underserved Communities

Providing opportunity and independence for American families sometimes requires more than a strong national economy and responsible welfare policy. Areas where poverty has become entrenched and the local economy is weak may need additional assistance. Some of the most intractable poverty is

found in America's central cities and rural areas. Because these areas are home to large numbers of Americans—in 1999, 30 percent of the population lived in the central cities and 20 percent outside metropolitan areas—this situation is cause for great concern.

In 1967, when statistics for these areas were first recorded separately, the poverty rate for central cities was 15.0 percent, compared with a nationwide rate of 14.2 percent. In contrast, poverty in nonmetropolitan areas was over 20 percent. By this measure the central cities were nearly as well off as the rest of the country, but nonmetropolitan areas suffered from disproportionately high poverty. Between 1967 and the early 1990s, however, the incidence of poverty shifted: conditions in the central cities worsened, and nonmetropolitan areas saw a slight improvement. By 1993 the proportion of central-city residents living in poverty had reached an all-time high of 21.5 percent, and the poverty rate in nonmetropolitan areas had declined slightly, to 17.2 percent—well above the national poverty rate of 15.1 percent in both cases. Since 1993, however, the situation has improved dramatically, especially for central cities. In 1999 the poverty rate for central cities was 16.4 percent and that in nonmetropolitan areas stood at 14.3 percent. Yet these rates remain well above the national average of 11.8 percent.

The strong national economy and current policies to make work pay, discourage out-of-wedlock births, and improve schools in poor neighborhoods can be expected to provide some relief. But given the persistently high poverty rates in these locales, additional strategies may be required. To reach out to residents of these locales, the Administration has enacted a series of programs that directly target communities.

Central Cities

Central cities offer some advantages for low-income workers. Central-city residents likely have ready access to public transportation, and city governments often provide more generous support services than governments in other locales. But cities often have one key drawback: fewer job opportunities. Recent research shows that most job creation today is taking place in the suburbs. One study by the Department of Housing and Urban Development (HUD) found that, from 1992 to 1997, job growth was slower in the cities than in the suburbs and that the job mix in cities is increasingly shifting toward high-technology industries, which provide fewer opportunities for low-skilled workers.

Central-city residents also face other barriers to employment. Low-income workers are unlikely to own a car and must rely on public transportation. Yet a recent study found that nearly half of all low-skilled jobs in the suburbs are not accessible by public transportation. Compounding this situation is the fact that minorities still face discrimination in housing and employment

markets. Studies have shown that minorities have difficulty renting and purchasing housing in the suburbs and are less likely to be hired by white-owned or suburban firms. The cost of housing in the suburbs may also make it difficult to move to homes near suburban jobs.

From a policy perspective, several approaches are available to address the mismatch between where low-skilled workers live and where they can find work. The first is to rebuild the economies of our central cities. The second involves seeking ways to overcome the transportation hurdles that commuters from the central city face. The third approach is to help low-income families obtain housing in areas where jobs are available. Providing training is yet another way to address this issue, improving workers' skills and thus their employability at a range of jobs. The Administration has pursued policies that incorporate all four approaches.

When this Administration took office, a number of programs already addressed underserved communities. The long-standing problems in these areas, however, clearly called for additional policy measures. The Administration developed a number of strategies for rebuilding the economies of America's central cities, including Empowerment Zones and Enterprise Communities. The Empowerment Zone/Enterprise Community initiative aims to assist communities by encouraging investment from private businesses through tax credits, wage credits, and improved access to credit markets. Since 1995 over \$1 billion has gone to 78 designated urban areas under these initiatives, supplemented by over \$10 billion leveraged through other public investment.

To help solve commuting problems, the Administration's Transportation Equity Act for the 21st Century established a new Job Access and Reverse Commute Program designed specifically to connect low-income persons to employment and support services. Similarly, the Bridges to Work program provides job placement, transportation, and job retention services in a select group of cities. In addition, the Administration has made owning a car easier for low-income families receiving food stamps, by giving States the flexibility to raise the limit on the value of a car counted as an asset for eligibility purposes. HUD programs also address transportation problems by subsidizing low-income families in both public and private sector housing. HUD's housing voucher and certificate programs help over 1.4 million families pay the rent for apartments in the private market. This portable form of assistance helps families locate near jobs.

Two Administration housing initiatives focus on improving employment outcomes for low-income families. The Moving to Opportunity demonstration program combines counseling with voucher assistance to help families move from high-poverty public housing projects to private housing in low-poverty areas. The Welfare-to-Work voucher program provides housing

subsidies and services to families eligible for or recently leaving TANF to help adults in the family obtain and keep jobs. Preliminary evidence from a Moving to Opportunity program in Baltimore suggests that the program also helps children by improving their educational outcomes.

Rural Communities

Like the central cities, many of America's rural communities face high rates of poverty and unemployment. But these communities also face a number of unique problems. First, they tend to have smaller, less diversified economies than do the central cities and thus can be severely affected by the closing of only one or two industrial plants. Second, many rural communities are geographically isolated from major markets, making it hard for residents to find jobs and for businesses to reach their customers. Third, rural communities often offer little in the way of public transportation, so that commuting problems are likely to be more acute than in urban areas. Although recent advances in telecommunications promise to reduce some of this disadvantage, rural communities also lag behind urban communities in access to this technology. Finally, rural governments often lack the economies of scale needed to make investments in public services economical.

A variety of agencies and programs exist to help these communities. Technical assistance, grants, and loans offered through the Rural Utilities Service provide assistance with basic infrastructure needs such as electricity, telecommunications, and water and waste facilities. The Rural Housing Service helps rural communities build and renovate community facilities and housing. Its programs provide housing assistance to families with moderate and low incomes; it also helps communities develop and improve facilities such as fire stations, libraries, and hospitals.

The Rural Business-Cooperative Service cultivates partnerships between the private sector and community-based organizations. It also provides technical assistance and funding for projects that generate employment. Rural businesses also get a boost from the Empowerment Zone/Enterprise Community initiative, as many of the areas these programs target are in rural communities. Finally, the Telecommunications Act of 1996 is addressing the digital divide by providing funds to help schools and libraries and rural medical facilities in low-income communities develop modern communications infrastructure.

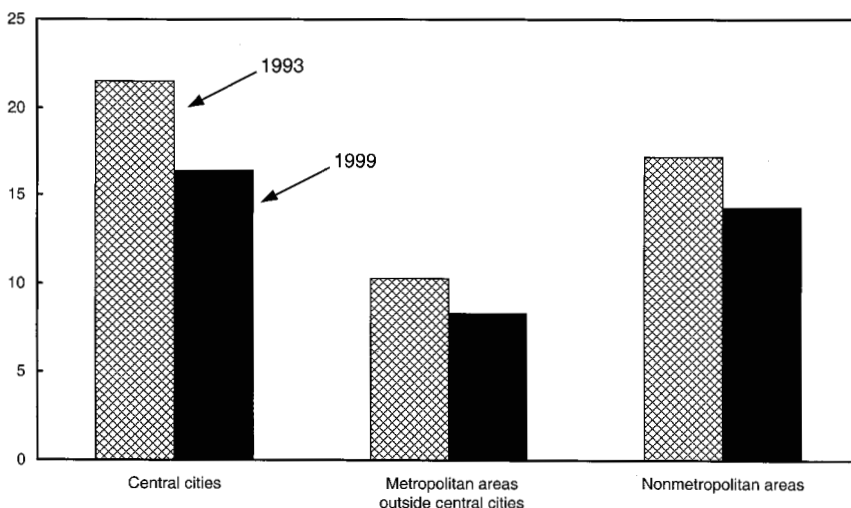
At the regional level the Administration has supported several initiatives addressing the problems of rural development, including a Task Force on the Economic Development of the Southwest Border, the Mississippi Delta regional initiative, and the Denali Commission in Alaska. These initiatives coordinate Federal, State, and local development assistance to areas with historically high poverty rates and limited employment opportunities.

Results

These programs, coupled with the strong national economy and policies aimed at making work pay, have led to substantial improvements in the quality of life for those living in central cities and rural areas. The unemployment rate in the Nation's central cities fell from 8.2 percent in 1993 to 5.3 percent in 1999, while unemployment in rural areas declined from 5.9 percent to 3.7 percent. Increased employment has meant reductions in poverty and increases in median incomes (Chart 5-6). As noted, the poverty rates in both central cities and nonmetropolitan areas fell significantly between 1993 and 1999, with the largest drop in central-city rates (2.1 percentage points) occurring in the last year. This change was so large and affected so many people that it accounted for 80 percent of the total reduction in poverty from 1998 to 1999. The median household income in the central city has also increased, rising 5 percent in real terms from 1998 to 1999—more than double the 2.1 percent increase in the median income in metropolitan areas as a whole. The gains in income for African Americans were particularly striking. After adjusting for inflation, the median income for African-American households in central cities increased by 13.9 percent between 1998 and 1999. These economic gains have been accompanied by a decline in the number of people on welfare. Caseloads in the largest central-city areas declined by 40.6 percent between 1994 and 1999. Increases in the median household income in rural areas were less dramatic than those in the cities, rising just 0.9 percent in real terms between 1998 and 1999.

Poverty rates declined from 1993 to 1999 in both metropolitan and nonmetropolitan areas, but especially in central cities.

Chart 5-6 Poverty Rates in Metropolitan and Nonmetropolitan Areas, 1993 and 1999
Percent of population



Source: Department of Commerce (Bureau of the Census).

Despite these clear improvements in the well-being of our poorest communities, much remains to be done. Poverty rates and unemployment are still too high. It is too soon to judge the effectiveness of the Administration's community-based policies, but reaching out to these communities demonstrates a willingness to seek creative solutions to some of the Nation's most pressing problems.

Education in the New Economy

What students learn in school is crucial in determining their future options and, more broadly, in enhancing the productivity of the Nation. Thus it is imperative that all children be given adequate opportunities to learn. To this end the United States has invested in a quality public education system. Unfortunately, not all communities can afford to invest equally in the education of their children, and the Federal Government has worked to reduce this inequality. And by promoting educational innovations such as more challenging curricula and the increased use of technology in the classroom, the Federal Government is working to improve the quality of schooling for all children.

Investments in human capital play an important role in the New Economy. Last year's *Report* focused on the demand for educated workers and on postsecondary education and training. This year's *Report* examines America's public elementary and secondary schools—institutions that are also important to the development of our future work force. Although many factors go into producing a quality education, and parents, families, and communities surely rank among the most important, the discussion here focuses on the components of the education system more directly under the control of Federal, State, and local governments. This discussion highlights the effects of class size, teacher quality, and school infrastructure and equipment. Strengthening these inputs to the education process is key to improving educational outcomes.

A Role for Federal Education Policy

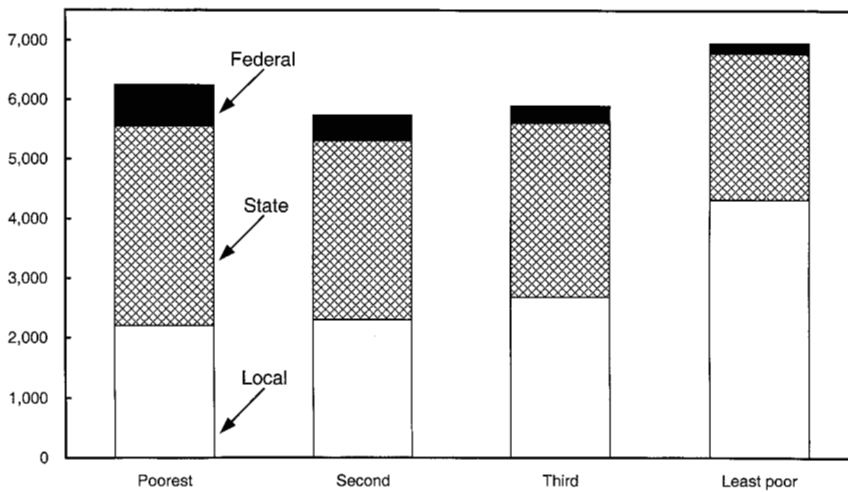
To prepare America's young people to join the New Economy, innovations must be sought in the provision of education that will increase its quality for all. These innovations include a committed effort to reduce class size, investments in teachers, higher standards for schools, the widespread adoption of computer technologies in the classroom, and new charter schools that provide parents with a choice in their children's education but retain public accountability.

The Federal Government has long sought to improve access to education for the Nation's poorest children and to help States ensure that their public schools are of high quality. Federal funds are used primarily to help implement needed reforms, expand new programs, provide access to new technology, and pay part of the cost of education for students with disabilities. Many Federal education programs are targeted to schools and school districts serving students from lower income families. By directing funds to these important areas, the Federal investment in schooling can have an impact greater than the expenditure itself would suggest.

In the United States, primary responsibility for elementary and secondary education rests with the States and with local school districts. Excluding school-based health and nutrition programs, the Federal Government provides just a little more than 6 percent of all funding for kindergarten, elementary, and secondary education. However, this figure belies the disproportionately large impact that Federal dollars can have on schools. Federal spending in the poorest schools reduces inequalities across school districts but does not fully compensate for the overall pattern of funding disparities created by differences in local property tax bases and State funding levels (Chart 5-7). A study of 1994-95 data found that the Federal Government spent more than four times as much per student in the poorest quartile of school districts as in the wealthiest quartile, but that the wealthiest school districts still had the highest level of expenditure per student.

Poorer school districts rely more on Federal support than do wealthier districts.

Chart 5-7 Revenue per Pupil by Source and Income Quartile of School District, 1994-95
Dollars



Note: School district revenues are for the 1994-95 school year; income quartiles are based on school district poverty rates from the 1990 Census.
Source: Department of Education.

The largest Federal education program for kindergarten through 12th grade (K-12) is Title I of the Elementary and Secondary Education Act, which provides funds to schools based on the number of poor children and the child poverty rate in the local area. Since passage of this legislation in 1965, these funds have been targeted to schools serving the poorest children. The ability to target funding to the most needy schools improved significantly after 1994, when the distribution of funding began to be based on newly available biennial data from the U.S. Bureau of the Census on child poverty in smaller geographic areas (such as counties). In the 1997–98 academic year, 96 percent of those schools with the highest poverty levels received Title I funds, up from 79 percent in 1993–94. In 1997–98 the highest-poverty quartile of school districts received 43 percent of all Federal funds for K-12 education and 50 percent of Title I funds—amounts that reflect the share of the Nation’s poor children in these districts (49 percent). At the same time, these school districts received less than a quarter of all State and local funds. Clearly, Federal funds in general and Title I funds in particular are a critical resource for improving equality in education.

Reducing Class Size

For decades the merits of various educational spending programs, including those aimed at reducing class size, have been the subject of much debate. Are they in fact effective in improving student achievement? Mounting evidence is showing that smaller classes are beneficial, especially for disadvantaged students and those in the early grades.

The most compelling evidence comes from the Project STAR (Student-Teacher Achievement Ratio) experiment in Tennessee in the late 1980s. To determine to what extent smaller classes improve academic outcomes, Tennessee authorized and financed an experiment that randomly assigned students and teachers in kindergarten through third grade to classes with a standard number of students (22–25) or to smaller classes (13–17 students). The results showed better performance for children in the smaller classes: these children did better on standardized tests of reading and math than students in larger classes.

A follow-up study showed that the students enrolled in smaller classes in the early grades continued to do better on standardized tests in middle school than other students. These students were also more likely to take college-entrance exams in high school. The results were especially strong for minority students. For example, white students in general are more likely to take a college-entrance exam than African-American students. But when the probabilities were calculated for white and African-American students who had been placed in small classes in elementary school, this difference narrowed substantially. Some 46 percent of white students and 40 percent of

African-American students who had been in small classes took a college-entrance exam; the corresponding figures for students in standard-size classes were 45 percent and 32 percent, respectively.

The quality of the Tennessee experiment's design and the outcomes it generated persuaded many scholars that reductions in class size can improve educational outcomes for children. Teachers in smaller classes can spend more time on individual instruction and review, and less on student discipline and routine administrative tasks, than teachers in larger classes. Teachers of small classes are also more likely to get to know their students, interact with them frequently on a one-to-one basis, and provide frequent, in-depth feedback. Results are now emerging from programs in other States that reinforce the conclusions of the Tennessee study.

In 1998 the Administration proposed a 7-year initiative to reduce class sizes in grades 1–3. Its goal is an average of 18 students per class nationwide. In its first 2 years the program enabled school districts to hire an estimated 29,000 new teachers, reducing class size for 1.7 million children. Smaller classes are expensive, however. One study estimates that reducing class size in grades 1–3 nationwide to an average of 18 students would cost \$5 billion per year. Despite the expense, the expected gains in students' future earnings appear to be large enough to make the investment worthwhile.

The Importance of Teachers

The quality of teachers may play an even more important role than class size in improving student outcomes. Parents, students, and professional educators agree that teacher effectiveness is an important factor in student achievement, and several recent studies find that differences among teachers have significant effects. Further, these analyses show that some measurable characteristics, such as holding a master's degree, are not necessarily indicative of a teacher's ability to enhance student performance. And although a teacher's effectiveness seems to increase with experience in the first years of teaching, these gains to seniority are not significant beyond 3 to 5 years. These results suggest that much of the difference in teachers' effectiveness stems from variations in attributes that are hard to measure, such as talent and motivation.

Many schools are finding it difficult to attract and retain highly effective teachers. Some of this difficulty likely stems from the existing pay scales in public schools. In the last several decades, teachers' salaries have fallen relative to those in other occupations. A large majority of public school teachers are women, and for women in particular the rewards of teaching have shrunk by comparison with other opportunities. In 1940 fewer than 32 percent of

women with a college degree earned more than the average female teacher. By 1990 this fraction had risen to 55 percent. This trend continued throughout the 1990s, with starting salaries in most occupations increasing at a much faster rate than starting salaries in the teaching profession. One study found that from 1994 to 1998 the average salary for persons with a master's degree in nonteaching fields increased by 32 percent in real terms, while the real increase in the average salary for teachers was less than 1 percent. Other factors that affect job quality for teachers, such as crowded classrooms, unsafe schools, and limited opportunities for professional development and advancement, also affect schools' ability to attract and retain teachers.

The challenge of attracting and retaining effective teachers in sufficient numbers will become particularly acute in coming years. Between July 2000 and July 2008, the number of children aged 5–17 will rise by nearly 1 million, significantly increasing the need for teachers nationwide. Yet in this same period about 750,000 teachers are expected to retire, and many others are likely to leave the field to pursue other occupations. Given these statistics, the United States will need an estimated 2 million new teachers in the next 8 years. The demand for teachers will be further heightened by mandates to reduce class size. Meeting the target of 18 students per class in grades 1–3 will require staffing an estimated 100,000 additional classrooms.

These increases in the demand for teachers will make it increasingly difficult to maintain consistently high teacher quality in all classrooms. The magnitude of the challenge is already becoming clear. In 1996 California began a massive program designed to reduce class size in the early grades (K–3). Expenditures for the program, which seeks a statewide class size reduction from an average of 28 students to a maximum of 20, are running \$1.5 billion per year. The State has been largely successful in achieving its goal: by the 1998–99 school year, more than 92 percent of California's students in the targeted grades were in classes of 20 or fewer students. But the share of fully credentialed teachers instructing these classes fell from 98 percent in the 1995–96 school year to 87 percent in 1998–99. This decline indicates that the demand for well-trained teachers is outstripping the supply and that continued increases in this demand will likely make it more difficult for schools to find qualified instructors. Ultimately, the benefits of nationwide reductions in class size will depend on the ability to attract and retain greater numbers of talented teachers (Box 5-2).

This Administration has supported investments in teachers. Its Class Size Reduction Initiative requires that teachers hired with Federal funds available under the program be fully certified. The initiative allows school districts to spend up to 25 percent of their allocated funds on professional development and testing for new teachers. Districts that have met the appropriate goals for

Box 5-2. Rewarding Effective Teachers

Traditionally, teacher salaries have been based on education levels, experience, and responsibilities, leaving school systems little room to reward the most effective teachers. Recently some schools and school districts have experimented with alternative, performance-based pay systems. These new methods may help improve the quality of instruction in several ways. First, by establishing specific criteria for evaluation, performance-based awards can help clarify and prioritize goals, thus providing better guidance for teachers. The awards may also provide teachers with additional motivation to work to achieve these goals. Tying teacher compensation to performance may also help attract talented people to the teaching profession and retain them, if they know that their hard work and skills will be rewarded. But although performance-based pay systems may offer new ways to reward exemplary teachers, they should not substitute for appropriate baseline salaries.

To be effective, performance-based pay systems must be carefully designed. Because student achievement depends on many factors that teachers cannot control, such as family circumstances and previous education, fair, performance-based systems should reward teachers for gains in student achievement rather than for absolute levels of performance. Furthermore, because student learning involves cooperative effort, incentives must be designed to create a cooperative, not a competitive, environment for teachers. For example, team-spiritedness might be enhanced by basing a portion of the awards on schoolwide rather than class-by-class achievement. Finally, the standards used to assess performance must be carefully constructed. If student outcomes are to be the basis of a performance-based pay system, measures such as gains in student test scores, increases in attendance, and increases in graduation rates should be considered—and they have been in a few schools.

The design of these school-based performance awards systems varies widely. In some cases the awards are given directly to individual teachers; in others the rewards benefit all teachers in a school equally. In the Charlotte-Mecklenburg school district in North Carolina, for example, awards were based on a broad array of student outcomes including subject mastery, dropout rates, and absenteeism. Schools received points for meeting annual improvement goals, and teachers in these schools benefited directly: in the highest-performing schools (classified as “exemplary”), each teacher received \$1,000. Teachers in “outstanding” schools (those with slightly lower gains) received \$750. In contrast to this equal division of awards, the program implemented at the Vaughn charter school in Los Angeles offers awards that vary

continued on next page...

Box 5-2.—*continued*

substantially from teacher to teacher. Teachers at Vaughn are provided the opportunity to receive cash bonuses in each semester for effective performance in a number of areas, including the teaching of specific academic subjects and more general skills such as classroom management and lesson planning. Performance is assessed through self-evaluations, peer review, and reviews by administrators. For a veteran teacher, performance-related awards can total up to \$13,100 per year.

A nationwide program that can also provide incentives to teachers beyond the traditional pay scales has been developed by the National Board for Professional Teaching Standards. The board has established distinct programs of national board certification, which have drawn the support of policymakers and educators alike. Many States and local school districts are providing incentives to teachers to complete this certification process. To become certified, teachers must compile an extensive portfolio of their work, including classroom videotaping, and take a full-day exam. Once certified, teachers are encouraged to act as mentors to new teachers and to support colleagues seeking such certification.

Studies of their effects on teachers have found that many award systems that are based on schools' performance help improve cooperation among teachers, but that these programs vary in their effectiveness in increasing teacher motivation. Teachers in many programs also reported that they feel increased pressure at work and work longer hours. Systems that reward individual teachers also have positive aspects. The system at Vaughn has helped attract new recruits, and many current teachers were pleased with the program. However, some problems were also encountered. One teacher complained that the peer review process, which result in differing amounts being paid to teachers, "pits teacher against teacher." These difficulties indicate that additional research and experimentation might be useful in arriving at the best compensation strategies.

reducing class size in the early grades have the option of using their entire allocation for activities to improve teacher quality. The Teacher Quality Enhancement Grant program helps States improve the quality of teaching. To date it has helped prepare about 20,000 new teachers for high-need school districts, and it will help prepare many thousands more in coming years. Funding for another Federal professional development program—the largest in the budget (and currently called the Eisenhower Professional Development Program)—increased from \$275 million in 1993 to \$335 million in fiscal 2000.

The Need for Modern Schools

The physical condition of classrooms may also affect the quality of the educational experience and, in the most severe cases, the safety of students. Communities across the country are struggling to address the problems of aging schools. In 1999 the average public school was 40 years old, and schools in largely poor or minority districts were even older. Many of these aging buildings have outdated electrical systems that must be upgraded for computers, and asbestos in the walls of some schools increases the cost of such upgrades. Some buildings need to be renovated extensively to accommodate disabled students. Many schools will need more classrooms as enrollments increase and average class size is reduced, putting additional pressure on aging facilities.

The National Center for Education Statistics estimates that getting America's schools into good physical condition will require an investment of \$127 billion. Some 39 percent of our public schools already have temporary additions, about one-fifth of which are in less than adequate condition. Schools with a relatively high proportion of poor and minority students are more likely than other public schools to have temporary buildings, and thus will have the most difficulty housing additional classes.

New Educational Technology and Internet Access

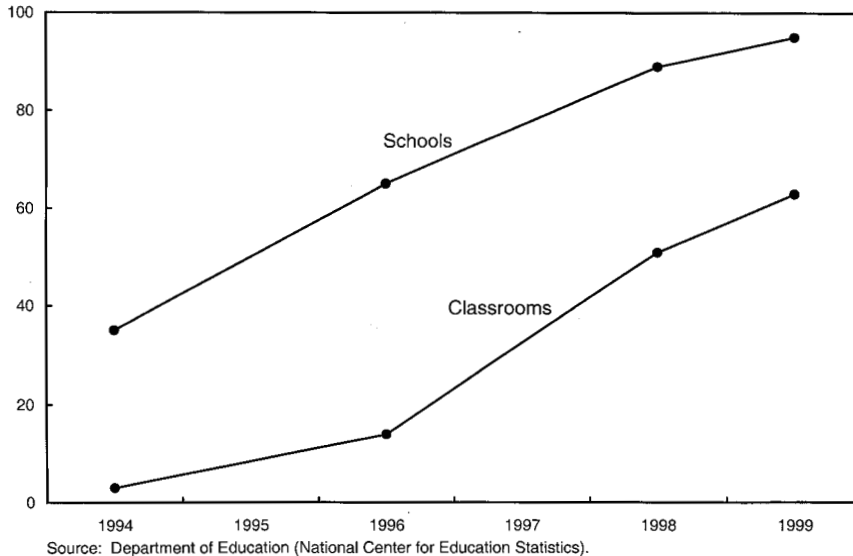
Today's workers are increasingly required to be computer literate. Schools must be able to teach students the skills they will need to work with computers and other new technologies. In addition, Internet access is becoming an important classroom resource, helping students learn by connecting them to libraries, museums, and educational materials around the world. Internet access has become increasingly widespread in American classrooms over the past 8 years, and Federal programs, especially the E-rate program discussed below, have played a large role. The E-rate program provides up to \$2.25 billion per year to schools and libraries to offset the cost of telecommunications services, Internet access, and internal connections.

Tremendous strides have been made in connecting public schools to the Internet (Chart 5-8). With the help of the E-rate program, the number of public schools with Internet access nearly tripled between 1994 and 1999, and by 1999 some 95 percent of all public schools were on line. Increases in Internet connectivity within classrooms were even more dramatic. In 1994 only 3 percent of public school classrooms had Internet hookups; by 1999 that figure had risen to 63 percent.

The Federal Government has helped local school districts make the transition to the digital age, committing \$5.7 billion over the last 3 years through its E-rate program to connect school and library computers to each other and

Access to the Internet in schools grew dramatically in the 1990s.

Chart 5-8 Share of U.S. Public Schools with Internet Access
Percent



to the Internet (Box 5-3). These funds have targeted schools with a high proportion of low-income students. Schools where 75 percent or more of students are eligible for free school lunches receive approximately 10 times as much funding per student from the program as schools with the smallest percentage of such students.

Other Federal programs have also helped schools purchase new educational technology. In addition to the E-rate program, in fiscal 2000 the Federal Government spent \$766 million on education technology programs through Title III of the Elementary and Secondary Education Act. Some \$425 million of this was provided through the Technology Literacy Challenge Fund. Schools also used portions of their Title I funding to invest in technology. A large share of these funds was used to purchase computers and train staffing using new technology. During the 1997–98 school year, Federal funds paid for one-fourth of all new computers in schools (Chart 5-9). Federal funds were especially important in helping elementary schools with large numbers of low-income students acquire technology, accounting for nearly 60 percent of new computers in these schools.

For computers to improve the quality of instruction, teachers must know how to use them and how to integrate them into the classroom. A recent study found that only 53 percent of all public school teachers with computers or Internet access used these resources for classroom instruction. Teachers

Box 5-3. Reducing the Digital Divide

Since 1993, computer use in America has grown at an enormous rate, revolutionizing the way Americans communicate, work, and do business. Access to a computer—and knowing how to use it—are increasingly important for success in today's society. Currently more than half of all U.S. households have computers, and more than two-fifths have Internet access at home. But computer use varies greatly with income and education. People in households earning more than \$75,000 per year are almost four times as likely to use the Internet as those in households earning less than \$15,000 per year. Adults with college degrees are more than eight times as likely to use the Internet as adults who have not completed high school. Race is also a factor. African Americans and Hispanics are substantially less likely than white and Asian Americans to use the Internet. A recent study finds that income and education explain only around half of this difference. Individuals from disadvantaged groups that already face obstacles in the workplace are at risk of falling even further behind if they lack computer know-how.

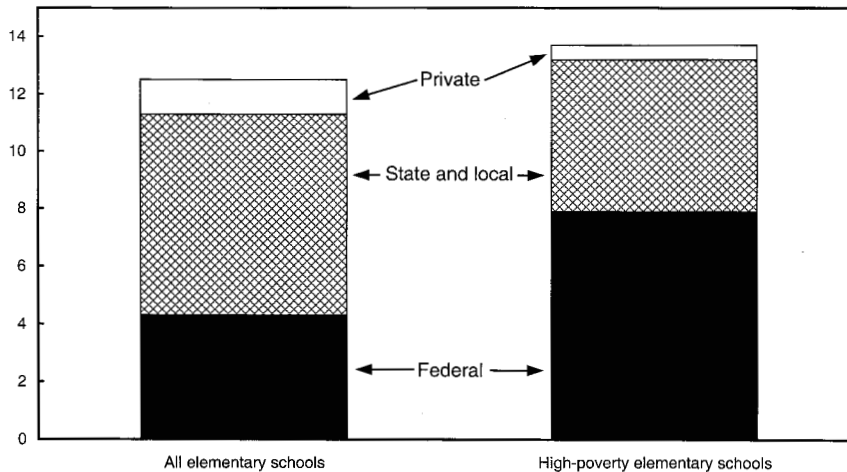
There is encouraging news, however. Notable changes are occurring among school-age children, suggesting that the widespread availability of computers in the classroom is playing a role. Across all income and demographic groups, Internet usage among children aged 9–17 is higher than the national average. And over the last few years Internet usage has grown faster among African-American and Hispanic children than among white children, and faster among children in households earning less than \$35,000 per year than among children from wealthier households.

who have received more professional development in using computers and the Internet, and teachers in schools with relatively few low-income students, were the most likely to report using computers and the Internet. Newer teachers were also more likely to use computers “a lot” to create instructional materials.

Despite the growth in the number of classrooms with computers, only one-third of teachers with access to computers and the Internet said that they felt well or very well prepared to use them. These results clearly show that more investment in teacher preparation is needed. The Federal Government has addressed this issue through its Preparing Tomorrow's Teachers to Use Technology grant program. This program supports 352 partnerships among colleges, educational agencies, and nonprofit organizations, providing training for teachers in integrating technology into the classroom.

In 1997-98, high-poverty elementary schools obtained more computers through Federal funds than did other schools.

Chart 5-9 Sources of New Computers Received by Elementary Schools in 1997-98
Number of computers per 500 students



Note: High-poverty schools are defined as those with at least 75 percent of students eligible for free or reduced-price lunches.
Source: Department of Education.

Standards and Accountability

Over the last decade, changes have taken place in America's public schools that go far beyond increasing the investments just described. Among the most important changes are new ways of improving accountability for educational outcomes.

Initiatives that establish clear performance outcomes and systematically test student progress aim to help teachers and students focus their efforts on those areas needing the most work. Spurred in part by legislation passed in 1994 (the Improving America's Schools Act and the Goals 2000: Educate America Act), State after State has implemented standards for what students need to learn. As of October 2000, 48 States and the District of Columbia had adopted such standards; the majority of States adopting standards have done so since 1994.

The establishment of these standards has been followed by an increase in standards-based assessment. Forty-eight States and the District of Columbia now administer tests to assess student performance relative to these standards in reading and math, and many States do so for science and social studies as well. Thirty-six States currently publish some form of report card for each school, measuring school performance against a number of indicators, including student assessment test scores.

Both the standards themselves and the assessments based on them have been controversial. Many argue that classroom instruction is now geared

toward preparing students for the exams—that teachers are, in effect, “teaching to the test.” However, when implemented correctly, such assessments can help improve the quality of the educational experience—and educational outcomes—in several ways. First, tests that are challenging and well constructed can help raise the expectations of students, teachers, and parents. These expectations can motivate all parties to improve their performance. Second, by clearly outlining the material to be covered and the degree of mastery required, these measures of accountability may help teachers focus on what are generally agreed to be the most important topics. Finally, these tests provide parents, teachers, and students with information that highlights those areas in which students are less than fully prepared.

The Federal Government has played an important role in the standards movement. Since 1994 it has devoted more than \$2.6 billion to helping agencies in every State implement school reforms through the Goals 2000 Act. Even before that legislation was passed, the government supported the development of voluntary national standards that States could use as a basis for their own standards. In addition, the Improving America’s Schools Act tightened Title I accountability at the school and the district levels by requiring States to hold students in Title I schools to the same challenging standards as other students and to assess all students in Title I schools against these standards.

The Federal Government has also increased its efforts to track student progress, undertaking evaluations that help in assessing State-level reforms. In recent years the National Assessment of Educational Progress has been expanded to track student performance in each State. Thanks to these assessments a valuable set of baseline indicators now exists for measuring student progress that can help researchers and education professionals evaluate the effectiveness of new policies (Box 5-4). The Individuals with Disabilities Education Act Amendments of 1997 further require that children with disabilities be included in State- and district-level assessment programs, so that the performance of these children will be measured as well.

Increasing Public School Choice

A persistent thread during the last decade of educational change has been the call for parental choice in their children’s education. Allowing parents to choose among different public school models would likely benefit students by allowing them to choose the method of instruction that offers the best fit for their child’s learning skills and interests. In responding to parental demand, educators would offer the most effective educational models and innovations.

Many States have responded to the demand for choice by allowing parents, teachers, and other interested parties to establish independent public schools

Box 5-4. Ensuring That Gains Are Maintained

Effective teachers, adequate facilities, and well-constructed standards can help students learn more. However, these investments are of little value unless students retain what they have learned. Numerous studies have demonstrated that knowledge and skills deteriorate while children are away from school, especially during summer vacations. Drawing their conclusions from an analysis of many previous studies, one group of researchers found that children lost an average of a month's worth of learning over summer break.

Much of the Federal Government's role in education policy has been aimed at helping children in low-income families receive a quality education, thus mitigating the effect of family income on schooling outcomes. When children are not in school, it appears that family characteristics play an important role in determining learning. Many studies have noted that the deterioration of skills associated with summer vacation was greatest for children in low-income families. These differences appear to be particularly large for reading: students from middle-class families experienced a small gain in test scores over the summer, whereas students from low-income families fell behind. The result was a gap between the two groups in reading skills equal to approximately 3 months of schooling.

These differences suggest that public schools can do even more to help children from low-income families succeed. One possibility is to lengthen the school year. If students attended school year-round, there would be less opportunity for skills to deteriorate. Alternatively, summer enrichment programs targeting low-income communities can help poor children overcome some of the disadvantages they face at home and in their neighborhoods. In addition to changes in the school calendar, communities can offer after-school enrichment programs.

Both after-school and summer learning programs can also be a boon for working parents, particularly for lower income parents who may have difficulty arranging alternative care for their children. Not only can such programs assure parents that their children are in a safe, enriching environment, but they can also allow working parents to invest in their jobs and gain important labor market skills that can further benefit their children through increases in family income and exits from welfare.

The Administration has worked to assist local communities develop after-school activities through its 21st Century Community Learning Centers Program. This program has funded more than 3,600 after-school and summer programs. Preliminary evaluations indicate that these programs have had beneficial impacts on the academic and social behaviors of participating children.

chartered by State or local education agencies. These charter schools are given autonomy over their operations and are exempted from certain State and local regulations (although not from standards-based assessment) in exchange for strict public accountability and results. Charter schools have great potential as laboratories of educational innovation, allowing individual schools to explore a variety of educational methods while remaining publicly accountable.

The Administration has strongly supported the development of charter schools, having overseen the creation of the Public Charter Schools Program in 1994 and passage of the Charter School Expansion Act in 1998. In 1991 Minnesota became the first State to allow charter schools, and by the end of 1999, 36 States and the District of Columbia had made provisions allowing for such schools. At the beginning of the 2000–01 school year, 2,069 charter schools were operating nationwide, up from just 34 at the start of the 1993–94 school year.

Helping Students Make the Transition from Secondary School to College

Federal programs are also helping students make the transition from secondary school to college or work. The Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) bring middle schools with a high proportion of poor students together with local colleges and universities. These partnerships helped prepare more than 250,000 students for college in fiscal 2000. The programs provide entire classes of students and their families with academic enrichment programs as well as information about choosing a college, applying for financial aid, and preparing for college entry; in some cases they will also provide college scholarships. The TRIO programs such as Upward Bound currently serve 730,000 low-income, first-generation college and disabled students, helping them prepare for and succeed in college. And after 6 years of receiving seed money from the Federal Government, all States have instituted local school-to-work programs to benefit secondary school students as they prepare for their working lives.

Over the past 8 years, Federal assistance to Americans investing in their college education has also increased. Direct Pell grants have risen from a maximum of \$2,300 per student per year to \$3,300. The HOPE Scholarship and Lifetime Learning tax credits have also reduced the cost of education for American families. Fees and interest rates on student loans have been reduced, and restructuring the Federal student loan program has saved billions in taxpayer dollars.

Innovation and Access in Health Care

The American health care system today reflects the successes and the promise of the New Economy. Americans are healthier now than they were just 10 years ago. Between 1990 and 1998 life expectancy at birth rose approximately 1.3 years, and life expectancy at age 65 rose more than half a year. The rate of chronic disability among the elderly declined by 14.5 percent between 1982 and 1994. Medical innovations are in part responsible for these improvements, as are factors such as improved nutrition and exercise. Yet health care continues to present challenges that demand an ongoing role for the government.

A stream of technological innovations has raised the quality of care and improved health outcomes. Innovative diagnostic tools and new treatments have improved the medical system's ability to treat many diseases and conditions. These innovations enable medical professionals to identify health problems more accurately and to offer treatments that are less invasive and promise better outcomes. One good example is the use of drug therapy to treat some conditions that formerly required surgery.

These improvements in treatment are expensive, however, and overall health care costs have risen as people demand more and better care. The upward pressures on expenditures are exacerbated by traditional fee-for-service insurance, which offers weak incentives for patients or providers to limit their health care consumption. Managed care has evolved as an organizational innovation to control rising health care expenditures. It attempts to create incentives for both patients and providers to make efficient health care consumption choices—to utilize treatments, especially costly technological innovations, only when they are medically appropriate.

However, health insurance coverage remains a problem. Around 42.6 million Americans have no health insurance coverage, often because they cannot afford it. Thus the government has a continuing role to play in providing health insurance to those in need of assistance. The Administration recognizes the importance of health insurance and has worked to extend coverage to those most in need of it. The State Children's Health Insurance Program, for instance, has extended health insurance to an estimated 2.5 million children nationwide.

Technological Innovations

Dramatic innovations in medical care, often driven by computer technology or research in fields such as biotechnology, have led to more accurate diagnostic techniques, better surgical procedures, and treatments for previously untreatable conditions. Evidence indicates that technological innovations have been beneficial as a whole. One study found that the lifetime value of

improved health (including longer life) attributable to improved medical care outweighed the significant costs. Nevertheless, examples of innovations are particularly revealing, because aggregate studies are unable to fully measure the impact of these innovations.

For example, by providing very high resolution anatomical and pathological images, magnetic resonance imaging (MRI) enables much more precise diagnosis of a number of diseases and conditions than traditional computed tomography (CT) scanning. In the 1990s MRI technology and computers were further combined to create “open MRI” systems, which can be used to provide continuous pictures to guide surgeons during brain operations. Modern techniques for abdominal aneurysms illustrate how surgical procedures have improved. The development in the 1990s of endovascular surgery, a minimally invasive procedure that uses intraluminal stents (scaffolding-like wire-mesh devices used to prop open artery walls), has led to remarkable improvements over open surgery to repair abdominal aneurysms. Experts reporting on the results of clinical trials have testified that endovascular surgery reduces operating procedure time by 20 percent, reduces blood loss by two-thirds, halves the number of patients requiring a transfusion, and reduces intensive care unit time from 3.5 days to less than 1 day and the hospital length of stay from 9.3 days to 3.4 days. Mortality is comparable to that from open surgery, but endovascular surgery produces only half the number of severe treatment-related adverse effects.

In addition, innovative techniques and treatments now allow physicians to treat some previously untreatable conditions, such as Alzheimer’s disease, which affects some 4 million Americans. A new drug therapy that enhances cognitive function and delays the progress of the disease was introduced in 1993, the result of advances in neurobiological research. New drug treatments for other conditions have also come on the market. Facilitated by the streamlining of the drug approval process in 1997, the number of new drugs approved by the Food and Drug Administration that are significant improvements over existing drugs grew from an average of 12.5 per year in 1990–93 and 13.3 in 1994–96 to 14.7 in 1997–99.

Innovations that produce better care can save money by reducing the number of medical inputs required to produce the same or a better health outcome. The development of minimally invasive laparoscopic surgery, made possible by advanced digital technology, has reduced the costs of abdominal surgery. Laparoscopy has reduced the postoperative hospital stay for gall bladder surgery by up to 6 days, and the time patients need to take off work by a month, reducing overall costs. Drug therapies can prevent peptic ulcers or substitute for expensive abdominal surgery for severe ulcers, and new psychotropic drugs may keep many people who suffer from depression out of the hospital and reduce or eliminate the need for extensive psychotherapy.

However, many innovations actually raise the cost of health care because they require more medical staff time and more expensive equipment than traditional treatments in order to produce better outcomes. MRI scans, for example, are extremely expensive, as are certain types of highly innovative brain surgery. Intensive cardiac interventions are being offered with increasing frequency. Among Medicare patients, the use of coronary bypass surgery tripled between 1984 and 1991. Catheterization procedures quadrupled, and angioplasty use rose 15-fold. As a result, the cost of treating a heart attack rose 36 percent faster than inflation between 1984 and 1991. But life expectancy after a heart attack rose by 8 months during the same period. Overall, innovations in acute interventions accounted for about 55 percent of the decline in mortality from heart attacks between 1975 and 1995.

Both interventions that lower costs and interventions that increase them can contribute to higher total expenditure. Cost-saving innovations may lower the cost per patient of treating a condition, but if more people then use them, or use them more often, total costs are likely to increase. Innovations that raise per-patient costs unambiguously raise the total cost of health care, even if the number of treatments does not rise. More frequent use of these expensive new procedures raises costs even further. Treatments for previously untreatable conditions also raise overall health care expenditure.

Organizational Innovations to Control Health Care Costs

Medical innovations have been the primary reason for the rapid growth in health care expenditure in the last two decades, accounting for more than half of the long-term increase. These technological innovations have exacerbated the dilemma of providing high-quality care while holding costs at a reasonable level. To balance these conflicting goals, health care decision-makers must meet two challenges: they must determine when improved outcomes justify the additional expense, and they must structure the health care system so that it uses medical technology in the most cost-effective way.

Because health insurers pay for most health care, the incentives embedded in the health insurance system strongly influence the efficiency of the entire health care system. Before the 1990s the predominant health insurance arrangement was that known as fee-for-service. Under this system patients face low copayments, and providers are reimbursed on a cost-based method after each medical encounter. The system provides those who determine a course of medical treatment with great flexibility and satisfies health care consumers' desire to obtain the highest-quality care available (including expensive technologies). From a physician's point of view, fee-for-service plans are desirable because they take into account the complex nature of medical needs and the variety of appropriate responses available. However,

because reimbursements are based strictly on utilization, patients and medical personnel using these plans have few direct incentives to use the most cost-effective technologies and practices. Physicians have incentives to overprescribe services and procedures, and patients have incentives to let them.

To address these problems, managed care has introduced an incentive structure that encourages providers to choose services more efficiently. Managed care employs two mechanisms, one financial and one non-financial, to alter providers' incentives and treatment choices. The first is capitation, a method of payment that gives providers a fixed payment for each patient in a risk pool. Under this arrangement, providers have a strong incentive to reduce treatment costs, because they retain whatever is left over from the payment after all medical treatment is provided. The second mechanism is utilization management, which includes establishing treatment guidelines, controlling access to specialists, and monitoring physicians' performance to reduce low-valued services.

Managed care organizations can influence the expected profitability of new technology by reducing reimbursement and restricting utilization. When they do, hospitals and physicians are likely to acquire and use fewer new and expensive technologies. By balancing patients' desire for better health care with incentives for providers to reduce costs, managed care can encourage more cost-effective use of technology while promoting innovations that improve health and keep costs in line.

At the same time that it seeks this balance, however, managed care creates a different set of problems. These include incentives for health insurance plans to select only healthy patients and to underprovide services. Managed care organizations have a strong incentive to sign up healthy patients whose health care costs will be low. This incentive can override the goal of improving efficiency. Furthermore, providers have an incentive to restrict even cost-effective services because they receive no additional revenue from providing them. Because patients frequently lack information about the effectiveness of alternative treatments and are thus unable to act as knowledgeable consumers, this problem can be severe (Box 5-5). As a result, patients may not get expensive but medically necessary services. Thus patients need meaningful protections against incentives that lead to too little care being provided.

The optimal reimbursement design, in terms of offering incentives that balance cost and access, likely lies somewhere between fee-for-service and capitation plans. Such a plan would involve partial cost sharing by providers and patients through copayments and coinsurance, but the ideal incentive structure has not yet been identified. As managed care plans have evolved to allow patients more choices, the plans' ability to influence utilization has diminished. Consolidation among physicians and hospitals in the 1990s created intermediary organizations between providers and managed care

Box 5-5. The Rise of E-Health: On-Line Medical Information

The Internet is becoming an important source of medical information for consumers, for at least two reasons. First, it empowers patients by providing them with medical information that increases the value of a medical appointment. Interactions with physicians are more efficient if patients know what questions and concerns to raise beforehand. Second, for general information the Internet offers an attractive alternative to a costly consultation.

Tens of thousands of Internet websites provide medical and health-related information. About 60 million Americans searched for health information on line in 1998, and that number was expected to increase in 2000. An analysis of patient electronic inquiries to a university dermatology department found that 40 percent of the inquiries could be answered by a librarian, 28 percent could be answered by a physician via e-mail, and only 27 percent required a visit with a physician. Without the Internet many of these questions might not have been asked or answered at all, and unnecessary visits might have occurred. The Internet thus has the potential to effectively supplement the physician's role in providing medical information and thereby to improve efficiency.

However, the websites currently available may present problems. Not all on-line medical information is easily comprehensible to the lay reader, and some sites raise conflict-of-interest issues. Although the Internet can reduce the cost of obtaining medical information, it cannot make information on complex medical issues understandable to all. To the extent that it leads patients to self-diagnose and self-treat inappropriately, then, on-line information can be harmful. Furthermore, the quality of information varies greatly, in part because commercial interests can influence content. These problems can actually increase the demands on physicians, who must spend time clarifying misleading or misinterpreted information.

For these reasons the government has a role in overseeing and regulating medical information websites. Several government agencies, including the National Institutes of Health, the Food and Drug Administration, and the Agency for Healthcare Research and Quality, have taken the initiative either to provide information directly or to provide links to reliable medical websites.

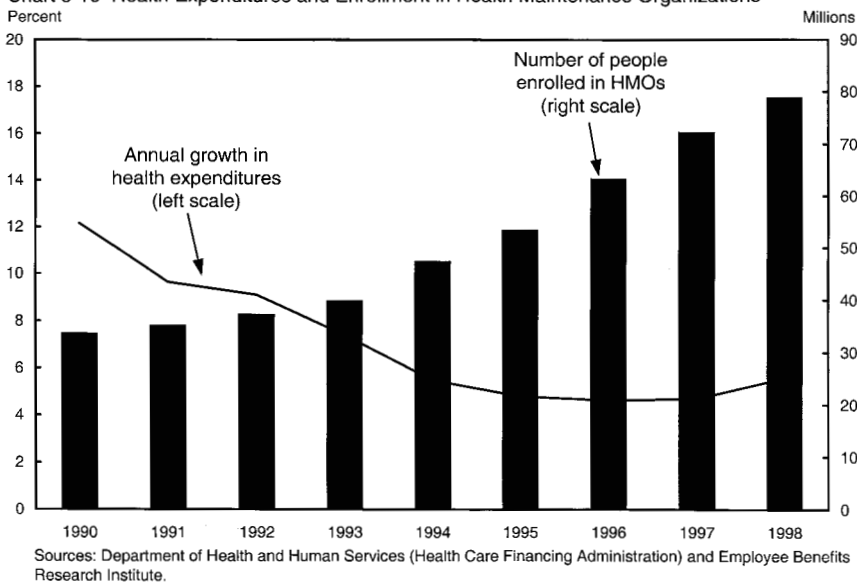
plans, so that fewer providers actually operate on a strict capitation basis. For these reasons managed care plans at the beginning of the 21st century differ markedly from the original managed care organizations, and the mechanisms that managed care uses to influence cost-effectiveness have been significantly altered.

Empirical evidence suggests that managed care was one of the factors that slowed the growth in total health care expenditure in the 1990s (Chart 5-10). Managed care slowed health care inflation not only by reducing the use of expensive procedures, but also by lowering physician and hospital fees relative to fees under traditional insurance. However, further reductions in utilization may not be feasible, simply because continued reductions could prevent patients from receiving medically necessary treatment. In addition, managed care's ability to restrict fees in the future is uncertain, because fees cannot fall below costs. Whether reductions in health care expenditure will continue is thus an open question, and recent indications suggest that expenditures are again beginning to grow.

If technological progress remains the key factor behind rising health care costs, managed care can continue to generate significant cost reductions only by influencing the types of innovations that are used. If managed care can increase the use of cost-saving innovations, the rate of growth may be slowed. But if patients continue to demand access to the latest technology and are willing to pay for any innovation regardless of its medical efficacy or cost-effectiveness, managed care may be unwilling or unable to impose further cost-saving innovations. Evidence of managed care's impact on the types of technology that are adopted and the rate at which innovations are introduced is mixed. Some researchers have found that increasing enrollment in managed care organizations restricts the adoption and use of cost-increasing technologies. One study, for example, found evidence that neonatal intensive

Growth in health expenditures slowed in the 1990s while HMO enrollments rose.

Chart 5-10 Health Expenditures and Enrollment in Health Maintenance Organizations



care units are introduced and used more cost-effectively in areas with a high concentration of managed care organizations. However, another study found evidence that health maintenance organizations (HMOs) slowed general technological growth in the early and mid-1980s but had little effect on technological growth by the early 1990s. Thus managed care's ability to influence how innovations will affect costs remains to be seen.

Improving Health Insurance Coverage

Considering the progress that has been made in medical innovation, access to high-quality health services is becoming increasingly valuable. Because these services, particularly treatments for nonroutine health care, can be very expensive, health insurance is the best means of ensuring that people receive the care they need. The number and proportion of Americans without health insurance decreased in 1999 for the first time since 1987, when comparable statistics first became available. As has been noted, however, around 42.6 million Americans remained without insurance coverage. This section discusses the current state of the health insurance system and some approaches that have been considered for extending health insurance to more people.

The Health Insurance System

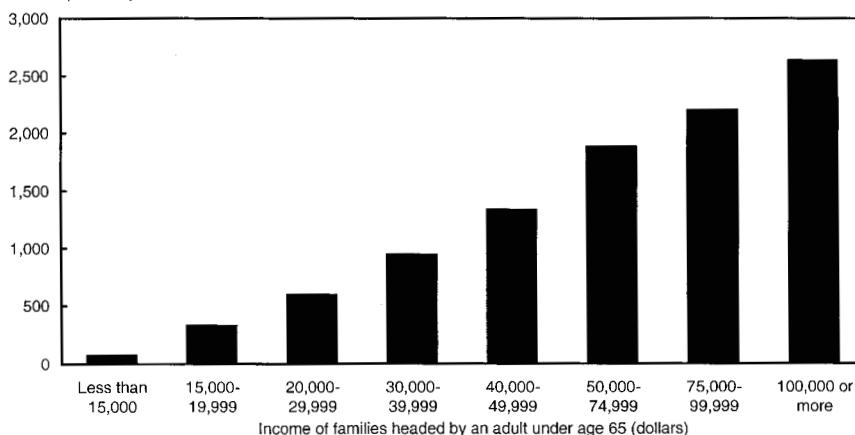
The American health insurance system relies primarily on employer-sponsored health plans. Employer-sponsored programs cover about 63 percent of all Americans, and 74 percent of all who are insured. One reason for the prevalence of this type of group insurance is that the Federal tax code favors it. The insurance premiums that firms pay on behalf of their employees are not included in the employees' taxable income. In addition, certain arrangements, such as flexible spending accounts, allow employees to make contributions toward their health care expenses with before-tax dollars.

The employer-sponsored insurance system offers several important benefits. First, it encourages groups, especially large groups, to pool risks effectively. In addition, firms can hire benefits administrators to evaluate policies and ensure that quality plans are offered. Finally, insurance companies can offer large employers lower premiums, in part because economies of scale reduce their administrative costs.

Because low-income individuals have a lower marginal tax rate and are less likely to have insurance, the tax-preferred treatment of employer-sponsored health insurance often does not provide them with significant benefits (Chart 5-11). People who do not obtain health insurance through their employer must buy insurance with after-tax dollars. This group includes not only the unemployed but also people who work for employers that do not offer health insurance. These groups are more likely to need a subsidy to be able to purchase health insurance.

As income rises, so too does the tax benefit from exclusions and deductions for health expenses.

Chart 5-11 Average Federal Tax Benefit for Health Expenses, 2000
Dollars per family



Note: Estimates include the likelihood of receiving employer-provided health benefits and the value of the tax benefit of employer-provided health insurance.
Source: John Sheils, Paul Hogan, and Randall Haught, "Health Insurance and Taxes: The Impact of Proposed Changes in Current Federal Policy," October 1999, The Lewin Group, Inc. Used with permission.

People without employer-sponsored health insurance who do not qualify for publicly funded programs must enter the individual insurance market in order to obtain coverage. This market can present problems that limit affordable access. Some insurers may choose not to cover people with preexisting health problems or may cover them but exclude the preexisting condition. Insurers may also charge premiums based on an individual's perceived risk. For example, people with diabetes may have to pay significantly higher premiums because they are more likely to experience health problems. In some cases the premiums can become unaffordable. The fact that the cost of administering policies is higher for individual than for group policies raises the premiums for individuals still further.

Publicly provided health insurance programs—Medicare, Medicaid, and SCHIP—are an important source of coverage for many people. Created in 1965, Medicare and Medicaid provide health insurance for the elderly, people with disabilities, and low-income Americans. Over 39 million individuals received medical insurance through Medicare in 1999. Medicaid, which offers Federal assistance to States in providing medical care to low-income Americans, served more than 40 million people in 1998. Historically, eligibility for Medicaid was linked to eligibility for welfare assistance—that is, eligibility was primarily restricted to single-parent families with very low incomes. In the late 1980s and the early and mid-1990s, Medicaid coverage was gradually extended through a series of expansions. The 1996 Personal

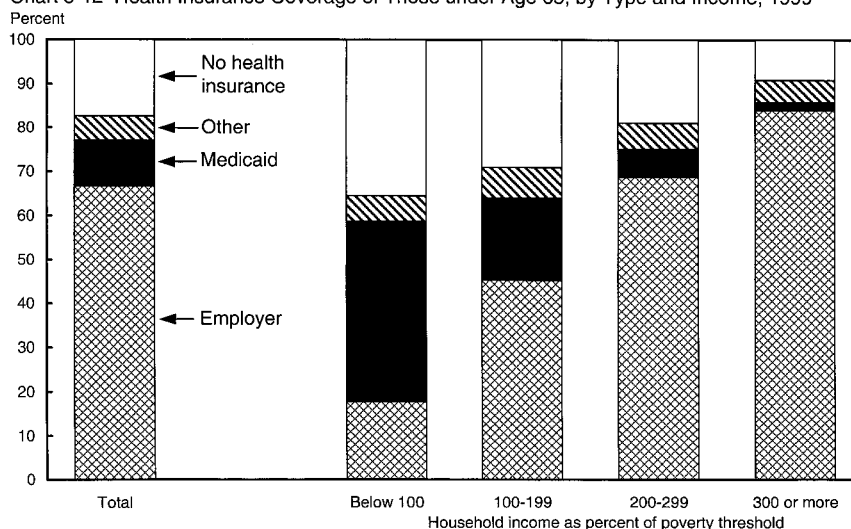
Responsibility and Work Opportunity Reconciliation Act formally delinked Medicaid from cash assistance eligibility and further extended it to cover more low-income households, including two-parent families. In 1997 the Federal Government created SCHIP to target the growing number of uninsured children in families with incomes that are too high for Medicaid but not sufficient to cover the cost of private insurance. Through SCHIP, States can provide eligible children with Medicaid coverage, coverage through a separate non-Medicaid program, or a combination of both.

The likelihood that an individual will have health insurance and the source of that insurance vary with income and other demographic characteristics (Chart 5-12). Because Medicare covers virtually all elderly Americans, only 1.3 percent of this group were uninsured in 1999, compared with 17 percent of the nonelderly. Among the nonelderly, those in low-income households are more likely to be without insurance. Among nonelderly people in households below the poverty line, 36 percent were uninsured in 1999. Medicaid was the source of insurance for almost two-thirds of the non-elderly in this group who had coverage, whereas 28 percent were covered by an employer's plan. In contrast, 91 percent of nonelderly people in households with incomes above 300 percent of the poverty line were covered, and of these, 92 percent were covered by an employer plan.

Part-time employees are less likely than full-time employees to be insured, because employers often exclude part-time and temporary workers from

Higher income people generally receive health insurance through employers. Lower income people tend to receive it through government programs, or not at all.

Chart 5-12 Health Insurance Coverage of Those under Age 65, by Type and Income, 1999



Source: Department of Commerce (Bureau of the Census).

their health insurance plans. Twenty-five percent of those in households with only part-time workers were uninsured in 1999. Seventy-four percent of adult workers employed in small businesses were insured, compared with 88 percent of those working in large firms, although some in both groups were covered under another person's policy. These figures reflect the fact that small businesses are less likely to offer health benefits than large firms, possibly because small businesses have a large share of part-time workers. Health insurance coverage also differs significantly across racial and ethnic groups. Non-Hispanic whites are least likely to be uninsured (11 percent), compared with African Americans (21 percent), Asian Americans and Pacific Islanders (21 percent), and Hispanics (33 percent).

Lack of health insurance can be costly not just for individuals but for society. The uninsured often obtain care in an emergency room rather than in a physician's office, and emergency room care is more expensive than office visits. Because they often receive inadequate care, the uninsured tend to have more severe health problems and are therefore more likely to require more expensive care when they do seek treatment. Evidence indicates that initiatives to expand Medicaid coverage have been associated with significant increases in the use of primary care facilities and reductions in expensive and avoidable hospitalizations. One recent study found that expanding Medicaid eligibility was associated with a 22 percent decline in avoidable hospitalizations. The costs of hospital care for people who cannot pay are often absorbed by providers, passed on to the insured through increases in the cost of both health care and health insurance, or borne by taxpayers through tax increases imposed to finance public hospitals and insurance programs.

Reforming Health Insurance

Proposals to expand health insurance coverage must be considered carefully, because of the risk that unintended consequences can so severely erode the existing system that the overall effect is to worsen coverage. Some proposals, such as expanding tax deductions to all purchases of individual insurance, might have such unintended consequences. To evaluate such proposals, this *Report* uses three measures: how much the proposal would reduce the ranks of the uninsured, how much it would cost to insure each additional individual, and how the prices and coverage of existing insurance plans would be affected.

How many formerly uninsured people an initiative is able to cover depends on how generous the subsidy is, how the subsidy is provided, and who is eligible. For instance, a partial subsidy may fail to increase coverage, because even modest out-of-pocket expenses can discourage participation, especially by relatively healthy low-income families. Such families may choose to forgo health insurance, unless it is made very inexpensive, to pay

for immediate necessities such as food and housing. Similarly, subsidies that become available only after premiums are paid may not help people who lack the funds to pay even these up-front costs. Further, a complex application process may have the unintended side effect of keeping qualified individuals from participating. Eligibility criteria must also be carefully designed, not only to determine how many uninsured people can use the new subsidy, but also to limit the number of people who already have insurance but are eligible for the new subsidy.

The second measure—the subsidy’s total cost relative to the amount of increased coverage—reflects how efficiently the proposal expands health insurance coverage. This relative cost can be driven much higher if a new subsidy crowds out existing insurance arrangements. This situation can occur when people drop their current coverage in favor of a newly subsidized alternative, or when an employer, expecting its employees to use a newly offered subsidy, stops offering insurance coverage. When crowding out occurs, government expenditures go not just to the newly insured but also to people who had coverage and are simply switching to the new plan to take advantage of the subsidy. If for these people the new subsidy is more generous than their old subsidy, the cost to the government increases. If firms drop coverage and employees do not get replacement coverage, the net increase in coverage drops and the cost relative to increased coverage again rises.

Third, newly enacted subsidies may affect the prices and coverage of existing insurance plans, for instance through adverse selection. Adverse selection occurs when relatively healthy, low-risk individuals decide that the cost of their current health insurance is greater than the benefits and therefore seek cheaper insurance or go without. As these people (whose health care costs tend to be low) leave the original pool, the average cost of insuring each person remaining in the pool increases. When the medical costs of treating the remaining participants rise and premiums increase as a result, still more people leave the pool. The result is a spiral of rising premiums and declining enrollment, so that those who still wish to purchase health insurance sometimes find that the premiums are prohibitively high, and they may remain (or become) uninsured.

Employer-sponsored group health insurance is a good basis for risk pooling. Workers are attracted to a firm for many reasons, of which health insurance is but one, and so a wide range of health risks is likely to exist within each firm. The existing tax subsidy encourages workers to remain in the group pool. But any subsidy that makes individual insurance more attractive can lead to adverse selection in the group pool. Adverse selection can also affect the market for individual insurance. Proposals to reduce premium variability due to health risk rating in the individual insurance market must also be careful to employ pooling mechanisms in order not to

drive out healthy individuals. Increased reliance on the individual insurance market also raises concerns about the quality of the insurance plans purchased, because of limited regulation and consumer bargaining power.

Empirical evidence indicates that crowding out and adverse selection do occur and thus are real concerns in proposals to expand health insurance coverage. Studies of the expansion of Medicaid coverage to children in the late 1980s and the first half of the 1990s found that the crowding out of private insurance coverage was responsible for around 10–20 percent of the increase in Medicaid coverage. Because Medicaid covers mostly low-income people who are less likely to have private insurance, the crowding out was particularly modest.

Studies of the choices employees make when offered a choice of several health insurance plans found evidence of adverse selection. One study found that premiums for plans with relatively generous benefits increased much faster than premiums for other plans, presumably because of the poorer health status of the people selecting the more generous plans. Another study found that, in one firm, healthy employees were the least likely to choose the most generous benefit plan. The premiums for that plan ultimately became so expensive that the employer dropped it.

Types of Subsidies

In general, efforts to extend health care coverage by offering public subsidies use one of three approaches. The first approach, tax deductions, allows individuals who purchase health insurance in the individual insurance market to reduce their taxes by deducting their health insurance premiums from their taxable income. A second approach, tax credits, reduces an individual's taxes by the full amount of the credit. A third approach extends government-provided insurance to more people. SCHIP, for instance, finances health insurance for children in lower income households.

These three options differ in how well they extend coverage, in their cost relative to increased coverage, and in their effects on existing insurance plans. Tax deductions provide only partial subsidies, and the subsidy is smaller for those with low incomes, who are the most likely to be uninsured. These weaknesses mean that tax deductions are unlikely to effectively expand health insurance coverage. By making individual coverage more attractive, tax deductions could also crowd out employer-sponsored plans, reducing the number of newly insured people on a net basis. Because a tax deduction for individual insurance would provide many who already purchase individual coverage with a more generous benefit than they currently receive, but is not likely to significantly increase coverage, the cost relative to increased coverage is also high. By subsidizing individual coverage, a tax deduction can also cause adverse selection that undermines existing coverage, and it can lead to increased reliance on the

individual insurance market, with its associated concerns. Thus tax deductions fare poorly on all three criteria.

Tax credits, if well designed, can help many people, including lower income families and individuals, purchase insurance. To be effective, the credits must be generous enough to make insurance affordable. Further, to enable lower income people to afford premiums, the credits ideally would be refundable, so that those with little or no tax liability can receive the credit. Ideally, they would also be payable incrementally through the year, so that those who have difficulties paying up-front costs are helped. However, these features also make administering the credits more difficult. Because such credits would apply to individual insurance, they have the drawbacks discussed earlier. They can raise the cost relative to the amount of increased coverage and reduce current risk pooling. These problems can be ameliorated through income cutoffs that restrict eligibility to those populations least likely to be able to afford coverage.

Government-provided insurance can fully subsidize insurance and thus cover many of the uninsured. But if such a program provides full insurance, some individuals who are already insured and become eligible for the program can be expected to switch, increasing the cost relative to the amount of increased coverage. Again, income cutoffs to restrict eligibility to uninsured populations can limit the crowding out. Because government-provided insurance does not increase the subsidy for individual insurance, adverse selection is much less likely to occur.

Meeting the Challenge of Covering More People

The Administration has taken a number of steps to extend coverage to more people. As noted above, the number of uninsured nationwide declined in 1999 for the first time in 12 years. Particularly noteworthy successes include the creation of SCHIP, which is intended to cover up to 5 million children when fully implemented. Other successes include extending Medicare and Medicaid coverage to persons with disabilities who are returning to work, providing Medicaid coverage to young adults leaving foster care, and covering low-income uninsured women diagnosed with breast and cervical cancer. In addition, the Health Insurance Portability and Accountability Act of 1996 limits exclusions for preexisting conditions in employer health insurance plans and plans sold to people converting from an employer's plan to individual insurance. In its last budget, submitted in February 2000, the Administration proposed a health insurance initiative to extend publicly provided health insurance to around 5 million more people. This proposal included a FamilyCare program to extend SCHIP to the parents of children covered by Medicaid and SCHIP; accelerated enrollment of eligible but uninsured children in Medicaid and SCHIP; and expanded

health insurance options for vulnerable populations such as legal immigrants, early retirees, and displaced workers.

Although much has been done to ensure access to health care for millions of Americans, a number of challenges lie ahead. The benefits of innovative prescription drugs make access to these drugs more valuable, especially for the elderly and persons with disabilities. As a result, in its last budget the Administration proposed a prescription drug benefit within the Medicare program. We must also prepare for a growing elderly population and expected increases in long-term care needs. Meeting this challenge requires increased investments to ensure the solvency of the Medicare program and provide financial assistance to the increasing number of families with members needing long-term care. To address these needs, in its last budget the Administration proposed providing tax credits for long-term care, and in the midsession review of that budget it proposed placing the Medicare trust funds in a lockbox. Finally, we must continue to work toward providing access to the health care system for the millions of Americans who remain uninsured.

Building Livable Communities

Just as the New Economy has transformed the structure of economic activity to provide better options and opportunities for Americans, so has it transformed the way we organize our communities and build new ones. The economic forces stimulating today's rapid growth do not automatically create incentives to preserve community amenities and environmental quality. With the support of Federal and State initiatives, regional governments are beginning to experiment with new economic and planning tools that can channel the economic drivers of growth in ways that preserve the quality of life Americans desire. Changing the way people think about growth in their communities will also change the kinds of public investments and policies that shape the landscapes of the new century.

The 20th century witnessed the evolution of the American suburb, especially in the 1990s, when suburban growth accelerated. From 1990 to 1999 the suburban population grew by nearly 19 percent, compared with 6 percent in the central cities. The New Economy has brought about a change in the patterns of job location as well. Job creation is shifting away from the central city. New jobs and new industries are springing up on the fringes of cities, often in so-called technology parks and research corridors. Between 1979 and 1999 the central cities' share of overall metropolitan office space fell significantly. In 1979 central cities accounted for 74 percent of office space and suburbs for only 26 percent. By 1999 the share of the central cities had dropped to 58 percent, and the suburban share had mushroomed to 42 percent.

Rural areas just beyond the edge of urban settlements have experienced particularly rapid growth. In metropolitan counties that were primarily rural in 1990, the population rose by 20 percent between 1990 and 1999—a much higher rate than in any other type of county. As farmland is converted to other uses, these counties are becoming low-density urban areas.

Although many Americans still seek the high quality of life available in America's cities, the suburbs have a special attraction. They promise American families the best of both worlds: the amenities and quality of life that many prefer and the availability of jobs formerly associated primarily with cities. But this trend has its drawbacks. Rapid growth can create problems that affect an entire region. Local communities, especially those experiencing rapid development, must invest in plans to channel growth in ways that are consistent with social well-being and environmental quality.

Business and Suburbanization

Economists have noted a positive relationship between the concentration of economic activity and productivity. In the past, access to natural resources and effective means of transportation were often the driving force behind a region's economic gains. In contrast, economic growth today is often based on so-called agglomeration economies. These develop when firms in the same industry cluster together in a region in order to share ideas, customers, and pools of workers with specialized skills. Agglomeration economies exist in Manhattan's financial industry, among Boston's mutual fund companies, and in California's Silicon Valley, where many high-technology firms have gathered. Because they are often free of the traditional resource-related needs that tied earlier industries to specific locations, New Economy firms are able to choose from a wide array of potential business sites. They can choose to locate in a community because of the proximity of other firms or simply because of its cultural and recreational amenities and general livability.

Several economic explanations have been offered for the resulting pattern of development. First, for many firms, central cities may exhibit diseconomies that offset the benefits associated with locating there. The building stock may be costly to upgrade, making rents in revitalized or redeveloped urban areas expensive. Similarly, the unintended consequences of environmental clean-up laws can discourage firms from reusing contaminated or abandoned urban properties. Despite more than \$2.3 billion in leveraged economic development devoted to these "brownfields" through the national Brownfields Initiative, hundreds of thousands of properties remain unused because of real or perceived environmental contamination. For these reasons it may be more cost-effective for firms to start from scratch in outlying areas.

Sprawl and Its Challenges

With growth occurring more on the outskirts of cities than in the central cities themselves, land in many metropolitan areas is now being consumed at a rate that exceeds population growth. An average of 2.3 million acres of land undergoes development each year, and a significant share is used for low-density residential development in fringe suburbs and smaller cities. This growing, often unplanned development is commonly known as sprawl. Sprawl is characterized by low-density residential and commercial settlements and often forces residents to rely exclusively on automobiles for transportation.

Sprawl often imposes significant costs on entire regions. Many suburban communities are becoming increasingly congested and are thus in danger of losing the very attributes that make them attractive places to live and work. Growing populations strain public resources such as schools and parks. Affordable housing moves farther away from jobs, increasing average commuting distances throughout metropolitan areas. Commuting is only one factor in increasing traffic congestion. Four out of five household automobile trips are now taken for noncommuting purposes, and distances from homes to destinations such as stores, schools, and recreational facilities are increasing. Limited public transportation makes congestion even worse, increasing demand for new roads—and creating more congestion.

Unplanned growth affects the quality of the environment, including water, air, and land resources. Increases in paved surfaces, including roads, buildings, and parking lots, can contribute to deteriorating water quality and to an overall loss of greenspace. This leads to less effective natural drainage, diminishes water quality, and in some areas dramatically increases the potential for flooding. For example, residents along California's Russian River experienced four major floods in 3 consecutive years. Hydrologists attribute such events in part to urbanization's effects on stream flow: downstream runoff into streams and rivers increases as the area devoted to roads, parking lots, and other impervious surfaces that keep water from filtering into the soil increases.

Increased traffic affects not only the daily commute but also ambient air quality. Automobile emissions lead to hazardous air pollution by elevating concentrations of ozone and particulate matter. Although national air quality trends have improved over the last 20 years, in 1999 approximately 62 million people nationwide still lived in counties with pollution levels that exceeded national standards. Pollution affects the health of residents, and some are more vulnerable than others. Pediatric asthma, for instance, is aggravated by particulate matter, sulfur dioxide, and ozone. Between 1982 and 1996 the incidence of this disease increased by 76 percent.

Regional Coordination and Sprawl

Jurisdiction over transportation routes and systems, as well as over housing and economic development decisions, is often fragmented among different local and State governments, resulting in little coordination of land-use planning. Regional commissions can help to deal with the spillover effects that community decisions have on neighboring municipalities. Sprawling communities are often divided by great fiscal disparities and distinctly zoned land uses. Planners with an interest in regional growth may be able to help communities accommodate new growth collaboratively.

Regional coordination has been particularly important in transportation. Communities are making significant investments in transportation and are coordinating their land-use plans with these investments. Ridership on public transportation is up nationwide. In 1999 transit riders made more than 9 billion trips, the most in nearly 40 years. The Transportation Equity Act for the 21st Century provided \$36 billion in Federal funding for transit for fiscal 1998–2003, around 50 percent more than during the previous 6-year period. Finally, State and local officials are increasingly choosing to tap into financial assistance available for surface mass transit, transferring over \$1.5 billion to transit projects in fiscal 2000 alone.

Individual Decisions and Sprawl

One of the difficulties in dealing with development issues is that the costs and the benefits of development are typically borne by different entities. Decisions benefiting private individuals may have adverse public effects, but private decisionmakers are unlikely to weigh these social costs. For example, many individuals prefer homes on large private lots far from both city centers and major highways. But these homes require new roads and the installation of public utilities. If many people choose to live in such homes, the negative spillovers their decisions generate—increases in traffic congestion, air pollution, impervious surfaces, and property taxes—may outweigh the benefits they and their neighbors receive. The results of such decisions are evident in many areas of the country and are particularly vivid in Atlanta (Box 5-6).

The true economic costs of building a new home include the costs of associated spillovers, and these costs should be recognized, but quantifying these social and environmental burdens is more difficult than identifying the private costs of development. Some positive steps can be taken in this direction, however. For instance, studies have found that the additional tax revenue received from new development does not cover the costs of building new roads and providing public services (including utilities) to new residents. If developers and homeowners were required to bear the full cost of these services, including infrastructure, the resulting pattern of development would look much less like sprawl. Many

Box 5-6. Challenges to Smart Growth in Atlanta

Ranked by some as the U.S. city most threatened by sprawl, Atlanta continues to expand at a phenomenal pace. From 1980 to 1998 the Atlanta area's population grew almost 68 percent, with virtually all of this growth occurring beyond the city limits. According to one study, the Atlanta metropolitan area loses 500 acres of green-space, forest, and farmland each week. Water quality in the Chattahoochee River and Lake Allatoona is deteriorating, and the city's air is in violation of clean air standards. The costs of traffic congestion from lost time and wasted fuel are estimated at an overwhelming \$2.3 billion a year. The average time spent per person per day in a vehicle on Atlanta's roads and highways has been estimated at 1 hour and 11 minutes. Motorists in Atlanta lead the Nation in miles driven per person per day, logging a total of over 100 million miles daily. The region's growth has further isolated minority and low-income communities and created tremendous geographical imbalances in the availability of jobs and housing. Atlanta's residents may be enjoying the benefits of the New Economy, but they are clearly suffering the resulting costs of sprawl.

The Atlanta Regional Commission (ARC) is attempting to limit this expansive growth and coordinate development. To help this coalition of regional governments, in 1999 the State created the Georgia Regional Transportation Authority (GRTA), assigning to it broad powers to manage projects involving transportation, air quality, and land use in heavily polluted areas, particularly the city of Atlanta itself. Metropolitan governments are opposing a perimeter highway proposal because it threatens investment in the center city and encourages further sprawl. The ARC, supported by the State government, is trying hard to provide and encourage alternatives to single-motorist auto-mobile transportation. The ARC and the GRTA are also seeking to encourage development that incorporates elements of smart growth by revitalizing older communities and emerging population centers through efforts to promote livability and increase the mix of land uses and housing types. But the sprawl continues, and Atlanta faces a serious challenge: it must channel future growth in order to build sustainable, attractive communities.

governments have begun to assess impact fees on new construction so that the financial burdens of infrastructure and public service provision are taken into account in development decisions.

Communities are beginning to use other kinds of economic incentives to achieve outcomes more consistent with smart growth. For example, communities such as South Bend, Washington, have imposed fees on

development that increases impervious surface area, in order to encourage development that has fewer detrimental effects on water quality and minimizes the potential for flooding. Other communities are using road pricing to improve traffic patterns. In San Diego, solo drivers in the express lanes of one major freeway pay higher prices during congested times than during off-peak hours. Electronic transponder technology helps identify individual motorists and assess tolls, making this system possible without the significant slowdowns caused by toll plazas. Other communities are using transferable development rights to provide incentives for keeping land in agriculture and other uses that maintain open space and provide ecological benefits.

The Administration's Response

The Administration's 30-point Livable Communities Initiative encourages smart growth. It sets forth several principles aimed at aligning Federal policy efforts with smart growth priorities and encouraging planning and coordination over larger regions to resolve negative spillovers. The Livable Communities Initiative seeks to sustain prosperity, expand economic opportunity, enhance the quality of life, and build a stronger sense of community. It provides funds for regional smart growth efforts, including Better America Bonds for State, local, and tribal governments. The initiative aims to reuse brownfields and preserve greenspaces, ease traffic congestion, restore a sense of community, promote collaboration among neighboring municipalities through regional governance, and enhance economic competitiveness. In addition, its smart growth initiatives attempt to counter various socially undesirable effects of sprawl such as racial segregation, concentrated poverty, decreased personal interaction, and a less active civil society. Initiatives at the State and the local level are beginning to have real impacts on communities—for instance, in the State of Maryland and the city of Chattanooga, Tennessee (Box 5-7).

An educated work force that views quality of life and favorable economic conditions as priorities often characterizes areas of new and rapid growth. These communities have both the constituency needed to demand change and the resources necessary to implement it. Business and community leaders are already recognizing the costs and impacts of sprawl and acting to mitigate the negative effects. In metropolitan areas such as Chicago, Denver, Omaha, and Philadelphia, leaders are acting to improve land use and transportation decisions and enhance environmental quality. The success of these endeavors will depend on the ability of these communities to make hard choices and find creative solutions to the challenges of sprawl.

Box 5-7. Examples of Smart Growth

Maryland has established several specific goals for its smart growth program. These include preserving the State's most valuable remaining natural resources, supporting existing communities and neighborhoods by targeting State resources to development in areas where the necessary infrastructure is already in place, and saving taxpayer dollars by avoiding the unnecessary cost of building the infrastructure required to support sprawl. The program also stipulates that the State will regularly evaluate the program's effectiveness. By winning Federal grant money, reprioritizing within the State budget, and designing financial incentives for businesses, local governments, and home-owners, Maryland has been able to leverage the funds necessary to emerge as a leader in the smart growth community while preserving local decisionmaking authority.

Similarly, the success of Chattanooga, Tennessee's, smart growth initiative affirms the conviction that Americans can enjoy both economic prosperity and a high quality of life. Chattanooga's economy was historically based on iron foundries, textile mills, and chemical plants, but in recent decades these were not providing the growth and employment the city required. However, through thoughtful economic development efforts, Chattanooga has become a model for other cities seeking environmentally sound urban renewal. Using extensive grants from private foundations together with Federal and local public funds, Chattanooga has built successful public-private partnerships throughout its visionary redevelopment process. The city now prides itself on being a laboratory for sustainable development projects involving rezoning, reclamation, revitalization, and redevelopment. Illustrating how older cities can thrive in the New Economy, Chattanooga boasts a 22-mile Riverwalk with picnic areas, the world's largest freshwater aquarium, a sculpture garden, waterfront housing developments, an electric-bus public transit system, footbridges, and an arts district.

Conclusion

The ongoing, unprecedented economic expansion has done much to improve the well-being of the American people. However, an important part of the Administration's role during the expansion has been to ensure that no one is left behind. And indeed, government policies have helped—and will continue to help—many of the most disadvantaged Americans. Policies easing the transition from welfare to work, improving educational

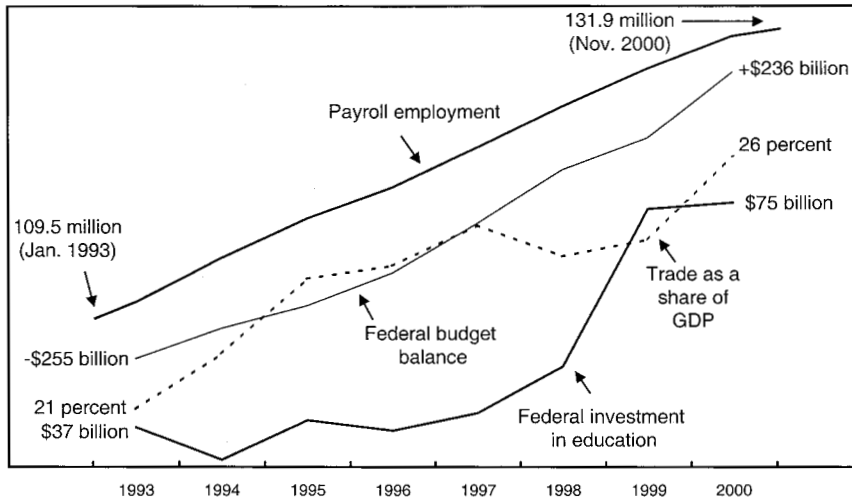
opportunities, increasing access to health care, and improving the health of our communities have helped distribute recent economic gains more fully. Improving outcomes for those in danger of being left behind benefits the Nation as well as disadvantaged populations.

This Administration has maintained policies that support strong economic growth and low inflation. Many previously unemployed Americans have been moved from welfare to work, increasing the supply of workers at a time when the demand for workers is high. Investments in the education of young people help ensure that future generations will have the necessary skills to succeed in the New Economy and increase productivity. Health care initiatives have helped Americans maintain access to recently developed, innovative technologies. The Administration has also worked to guarantee that our communities enjoy the amenities that families desire: safe streets, clean air and water, reliable transportation, and access to greenspace.

Despite this substantial progress, many challenges remain. Confronting these challenges will require ongoing public policies that combine initiatives to support economic growth with efforts to reach out to those still in need of assistance. The Nation has made enormous strides in helping the least well off among us, but substantial disparities persist in income levels, educational quality, access to health care, and quality of life. These differences must be addressed. At the same time, we must consider how to help those who need additional assistance even in this period of strong economic growth: our elderly, our disabled, and our children. We are certainly better off than we were 8 years ago, but we can do more to ensure an even brighter future for all Americans.

CONCLUSION

Achievements and Challenges in the New Economy



Note: Investment in education is the sum of appropriations to the Department of Education, the E-Rate program, and tax credits, deductions, and deferrals for education. Trade is the sum of imports and exports.
Sources: Department of Commerce (Bureau of Economic Analysis), Department of Labor (Bureau of Labor Statistics), Office of Management and Budget, and Universal Service Administrative Company.

Fiscal discipline, investing in education, and encouraging trade led to a robust expansion that has created over 22 million jobs.

The past 8 years have been a period of extraordinary achievement for the U.S. economy. With support from sound policies and strategic investments in the future, the United States has experienced an unprecedented economic expansion. This expansion is remarkable not only for being the longest ever recorded but also for its breadth and inclusiveness. Its benefits have been widely and generously shared, raising Americans' average real income to record highs and creating opportunities for groups that have long been left behind.

The economy this expansion has created is not just greater in sheer size but "new" in its structure and performance. It is dramatically more information intensive and more technology driven, more productive and more innovative. Today's economy utilizes new, more efficient business practices and has redefined many traditional relationships between suppliers, manufacturers, investors, and customers to achieve ever-greater efficiency. The cumulative

result of these trends and their interactions is a New Economy, one that is currently providing Americans in all walks of life the benefits of high growth, low inflation, high productivity, rising incomes, and low unemployment.

The New Economy did not emerge by chance. A policy strategy centered on fiscal discipline, investment in education and technology, and opening markets abroad has been key to its development. Prudent policy choices, sustained over 8 years, have fostered the flourishing of innovation and entrepreneurship. The combination of private sector innovation, new technologies, Americans' hard work, and sound policies and investments in the future has created vibrant economic growth. On average since 1993, the economy has grown at a healthy 4.0 percent per year. Core inflation has remained near its lowest rate since the 1960s. Meanwhile productivity growth has risen rather than stagnated over the course of the expansion. Productivity has grown 3.9 percent a year on average over the past 2 years, and it grew a robust 4.8 percent in the 12 months ending in the third quarter of 2000.

Importantly, the resulting prosperity has been shared in a remarkably equitable manner compared with the previous expansion. There have been solid, across-the-board income gains, with some of the strongest gains realized among the least well off. Americans in the bottom 20 percent of the income distribution have actually seen much stronger average income growth than the average for all other income groups: a total real gain of 16.3 percent since 1993. In the last 8 years the economy has created more than 22 million jobs, more than 80 percent of which are good jobs in industries paying wages above the median. The median family income has increased by \$6,338 since 1993, rising to \$48,950 in 1999. Meanwhile 7 million Americans have been lifted out of poverty. Home ownership reached 67.7 percent last year—the highest percentage on record. Unemployment is at its lowest level in more than 30 years. Unemployment rates for African Americans and Hispanics are at their lowest on record.

This *Report* has explored the phenomena that together have come to be known as the New Economy. It has examined the driving forces of innovation, organizational change, and sound policy that have created that New Economy. It has analyzed the effects those forces have had on macroeconomic performance, on business practices, and on our ability as a Nation to address the longstanding challenges of reducing poverty, improving education, and enhancing the long-term welfare of all our citizens. Last but not least, the *Report* has considered those areas where growth on its own may not meet all the challenges, and where targeted government policies can help widen the circle of opportunity to include as many of our fellow citizens as possible.

The United States today stands at a unique juncture in its own history—and indeed in world history. It enjoys unprecedented prosperity and therefore faces a unique set of opportunities as well as challenges. Used wisely and cautiously, our prosperity can be harnessed in ways that will further enrich all Americans for decades to come. We can and should continue to strengthen research and development, to drive long-term innovation and further productivity increases. We can and should continue to invest in education and training, to build the skills and ingenuity of our work force. And we can and should continue to shore up Social Security and Medicare, to improve our ability to provide for the long-term needs of our aging population. The right path, in short, is one that continues the policies of the last 8 years. Those policies have created a virtuous cycle in which fiscal discipline helps keep interest rates attractive for investment, and strong, productive investment in turn generates a healthy and growing economy, yielding ever larger budget surpluses.

Today's economy is strong, but it is far from invulnerable. The virtuous cycle can all too easily be broken if fiscal discipline is abandoned and priority is given to large tax cuts for a few rather than long-term investments for the country as a whole. Abandoning fiscal discipline in favor of a large, permanent cut in tax rates would raise interest rates and threaten investment and growth. Such a reversal of policy would be particularly ill advised at a time when the country faces a significant demographic challenge: over the next 40 years the share of the U.S. population aged 65 and over will rise from about 12.5 percent to nearly 21 percent. This demographic shift alone implies that retirement and health programs for the elderly will take up an increasing share of Federal outlays. But in addition, the costs per capita of Social Security and Medicare are expected to rise in the future, implying an even more dramatic increase in spending on the elderly. The confluence of these two trends means that spending on Social Security and Medicare as a share of GDP will almost double over the next 40 years, from around 6 percent today to 11.2 percent in 2040.

The emergence of the New Economy provides a precious opportunity to continue to build for the future, educate our children, secure the well-being of older generations now and for decades hence, and make the investments that will fuel the engines of innovation, enterprise, and productivity in our economy. Defining and pursuing the right priorities for continuing the expansion will be critical to the Nation's long-term welfare.

Technology's Role in the New Economy

At the heart of the New Economy is a bubbling cauldron of creativity and innovation. Advances in computing, information storage, and telecommunications have proliferated, yielding whole arrays of new products, services, and

industries. Discoveries in all these fields have been decades in the making, but for most of that time they proceeded on separate tracks, with little joint impact on productivity and output. Recently, however, the paths of these technologies—telecommunications, computers, and the Internet—have converged, opening the way to a whole new range of capabilities previously unimagined.

Through the dynamic interaction of these powerful innovations, the economy has become “lighter,” shifting toward products that embody more knowledge capital and less physical capital. Spending on information technology has played a leading role in the acceleration of economic growth. Although it accounts for an estimated 8.3 percent of GDP, information technology contributed almost a third of output growth between 1995 and 1999. Investment in information processing equipment and software now makes up more than a third of all private nonresidential fixed investment. Between 1990 and 1997 the number of information technology firms increased by 120 percent.

Technological innovation has been particularly important to the New Economy for two reasons. First, the information technology sector itself is highly productive, and as this sector has grown, its improved productivity performance has boosted that of the economy as a whole. Second, the adoption of information technology by other sectors of the economy has led to performance gains there, making other inputs—both physical and human capital—more productive through changes in the way firms do business. Manufacturing plants are increasingly automated. Workers are being given more flexible job assignments and stronger incentive pay. Supplier relationships are becoming more closely integrated through the use of computer systems that coordinate the various aspects of production and warehousing, allowing firms to slash their inventories. Firm boundaries are also shifting rapidly, as firms outsource noncore businesses and move toward flexible, collaborative relationships such as strategic alliances with suppliers, customers, and even rivals.

But technology alone is just a tool. It is only when firms use technology wisely that it becomes a transforming agent. Performance improvements are most likely to be realized when firms use information technology to bring about changes in basic business practices, job design, organizational structure, interactions with customers and suppliers, and human resource practices.

One example of how technology is inspiring changes in business practices is the use of the Internet to reduce companies’ procurement costs. On-line business-to-business exchanges now offer a range of transaction tools, such as on-line auctions, billing, insurance, information, and other custom services, that make procurement far more efficient. One on-line exchange claims to have saved customers \$2 billion during its 5 years in operation. These kinds

of improvements, in turn, help make the economy more resilient: more efficient procurement and inventory management have greatly reduced the tendency toward inventory overhang in the economy as a whole, thus reducing the likelihood that a period of slowing growth will tip into a recession.

The Role of Policy in Supporting the New Economy

The surge in innovation and entrepreneurship that is driving the New Economy has been fostered by supportive government policies. First and foremost, policy played a critical role in boosting national saving, which provides the fuel on which the New Economy runs. The Federal budget deficit had ballooned to \$290 billion in 1992, the largest ever, and it was projected then to grow to more than \$455 billion by fiscal 2000. These massive deficits placed a huge drain on investment capital, and partly as a consequence, economy-wide productivity growth had fallen to anemic levels. However, with the program of fiscal discipline that President Clinton and Vice President Gore put in place in 1993, the fiscal balance has improved 8 years in a row. The surplus in fiscal 2000 was \$237 billion, the largest as a share of GDP since 1948.

These mounting surpluses mean that the government, rather than draining resources away from private investment, is now freeing them up. And indeed, the last 8 years have seen a dramatic increase in investment. From the first quarter of 1993 to the third quarter of 2000, investment grew at an average rate of 13 percent per year. This long investment boom has been key to the increasing productivity growth we have seen over the course of the expansion, which, in turn, has enabled the economy to continue on a path of strong yet noninflationary growth.

The ascent of the New Economy was also helped along by strong, pro-competitive policies that allowed innovation to flourish. The Telecommunications Act of 1996, for example, opened up competition among local telephone companies, long distance providers, and cable companies. That competition, in turn, helped spur innovation not only within telecommunications but also in computer technology and related sectors that have been key drivers of the New Economy. The act also provided guidelines to ensure that the benefits of increased competition would be harnessed so as to increase the circle of opportunity. It established the E-rate program, through which schools and libraries gained access to discounted telecommunications and Internet connections. Today 95 percent of public schools are connected to the Internet. This program, paired with a massive increase in Federal funding for education technology (to \$872 million in fiscal 2001, up from just \$23 million in fiscal 1994) constitutes a long-term investment in the technologically skilled work force needed to sustain economic growth.

Globalization and the New Economy

Globalization has also played a crucial role in promoting the technological innovation and organizational changes that have yielded a New Economy. Globalization turns national markets with few competitors into worldwide markets with many competitors. The resulting, more intense competition induces firms to innovate. That innovation contributes to increased productivity and economic growth. Globalization, by expanding markets, also gives producers greater scope to specialize in what they do best. And with open markets, they are able to use the best and most cost-effective inputs from sources around the world to lower their costs.

Improvements in information technology have spurred deeper integration between the United States and the world economy. Indeed, it is no coincidence that the New Economy emerged in the United States at the same time that U.S. participation in the global economy has reached new heights, because globalization and the recent advances in information technology are integrally linked.

Over the past 8 years, fostering globalization and its benefits has been a high policy priority. The United States has been a partner to more than 300 trade agreements, including the North America Free Trade Agreement, the Uruguay Round multilateral trade agreements, the accord establishing permanent normal trade relations with China, the international moratorium on tariffs on e-commerce, and multilateral agreements in telecommunications, information technology equipment, and financial services. At the same time, U.S. trade policy has taken pains to ensure that these agreements safeguard global natural resources and respect our values, including our commitment to core labor standards.

The effects of globalization and improved communications and technology are evident in the record of U.S. international transactions. Trade in capital goods has soared since 1996, with particularly strong growth in products that are central to the New Economy, such as computers, semiconductors, and telecommunications equipment. Exports of services have also grown, in particular in those service industries where valuable innovation has taken place, such as professional, business, technical, and financial services.

Harnessing the New Economy

For all the power and promise of the New Economy, we cannot take for granted that its benefits will flow spontaneously to all. That is where policymakers have played a critical role in harnessing the dynamism of today's New Economy to benefit all Americans, including groups that have too long been left behind.

A robust economy that creates 22 million new jobs certainly provides broad-reaching benefits. Unemployment rates for African Americans and Hispanics, for example, have hit record lows during this expansion. But rather than rely on the pure market effects of an economy running on all cylinders, this Administration has enlisted additional means to empower and assist struggling families. Among the accomplishments thus far have been two hikes in the minimum wage, an expansion of the Earned Income Tax Credit, a more than doubling of funding for child care for working parents, and the extension of health insurance coverage to a greater number of low-income children and working families. Together with the effects of the strong economy, these measures have helped 7 million people move out of poverty since 1993.

Over the past 8 years, the welfare rolls dropped by more than 8 million, or nearly 60 percent, to their lowest level in 32 years. Recent data submitted by States competing for high-performance bonuses available under welfare reform show that 1.2 million welfare recipients nationwide went to work in fiscal 1999 alone. Seventy-seven percent of those who got jobs were still working in the next quarter, and average quarterly earnings were up 31 percent from the first to the third quarter of employment: from \$2,027 to \$2,647. And as more people move off of welfare, into the job market, and out of poverty, their greater economic participation has a positive feedback effect on the economy as a whole, lessening the burden on the budget and on taxpayers and increasing the productive force in the economy.

Here, too, technology can make important contributions, by improving the delivery of many social services. In health care, such innovations are yielding new treatment methods that can directly improve the quality of life for many. In education, new Federal programs are bringing computers and the Internet into the classroom, narrowing the digital divide, helping improve teacher effectiveness, and reducing class size.

Despite vast improvements in the quality of life experienced by many Americans, challenges remain. There are still substantial disparities in economic well-being across regions. Minority groups and residents of central cities and rural areas suffer disproportionately high rates of poverty and unemployment.

Our health care system also presents challenges. We need to control health expenditures and ensure that care is affordable to all. Issues related to managed care and the appropriate way to align incentives must be resolved so that health care is neither overly restricted nor overly prescribed. Even after these problems are brought under control, many Americans may continue to lack health insurance. If this is allowed to happen, they will be unable to take advantage of the quality care available to the majority.

Finally, one side effect of the New Economy is that certain parts of the country, especially the perimeters of some of our large cities, have experienced enormous growth in jobs and population. Such growth, when left unchecked, has led to sprawl and serious environmental consequences.

Even at this moment of great prosperity, then, great challenges remain to be confronted. We have a unique opportunity today to harness the power of the high-technology, high-productivity, high-growth New Economy in a way that sustains the current prosperity and uses it to improve the lives of all Americans. The challenges of the future—from saving Social Security, to improving education, to expanding health care coverage, to paying down the national debt—are significant and will require concerted effort. The tools and capabilities of the New Economy, combined with the right, targeted policies, can provide a powerful solution toward addressing these challenges as a Nation.

Appendix A
REPORT TO THE PRESIDENT ON THE ACTIVITIES
OF THE
COUNCIL OF ECONOMIC ADVISERS DURING 2000

LETTER OF TRANSMITTAL

COUNCIL OF ECONOMIC ADVISERS,
Washington, D.C., December 31, 2000.

MR. PRESIDENT:

The Council of Economic Advisers submits this report on its activities during the calendar year 2000 in accordance with the requirements of the Congress, as set forth in section 10(d) of the Employment Act of 1946 as amended by the Full Employment and Balanced Growth Act of 1978.

Sincerely,

Martin N. Baily, *Chairman*
Robert Z. Lawrence, *Member*
Kathryn L. Shaw, *Member*

Council Members and Their Dates of Service

Name	Position	Oath of office date	Separation date
Edwin G. Nourse	Chairman	August 9, 1946	November 1, 1949.
Leon H. Keyserling	Vice Chairman	August 9, 1946	
	Acting Chairman.....	November 2, 1949	
	Chairman	May 10, 1950	January 20, 1953.
John D. Clark	Member.....	August 9, 1946	
	Vice Chairman	May 10, 1950	February 11, 1953.
Roy Blough	Member.....	June 29, 1950	August 20, 1952.
Robert C. Turner	Member.....	September 8, 1952	January 20, 1953.
Arthur F. Burns	Chairman	March 19, 1953	December 1, 1956.
Neil H. Jacoby.....	Member.....	September 15, 1953	February 9, 1955.
Walter W. Stewart	Member.....	December 2, 1953	April 29, 1955.
Raymond J. Saulnier	Member.....	April 4, 1955	
	Chairman	December 3, 1956	January 20, 1961.
Joseph S. Davis	Member.....	May 2, 1955	October 31, 1958.
Paul W. McCracken	Member.....	December 3, 1956	January 31, 1959.
Karl Brandt	Member.....	November 1, 1958.....	January 20, 1961.
Henry C. Wallich.....	Member.....	May 7, 1959	January 20, 1961.
Walter W. Heller	Chairman	January 29, 1961	November 15, 1964.
James Tobin	Member.....	January 29, 1961	July 31, 1962.
Kermit Gordon	Member.....	January 29, 1961	December 27, 1962.
Gardner Ackley.....	Member.....	August 3, 1962	
	Chairman	November 16, 1964	February 15, 1968.
John P. Lewis.....	Member.....	May 17, 1963	August 31, 1964.
Otto Eckstein.....	Member.....	September 2, 1964	February 1, 1966.
Arthur M. Okun.....	Member.....	November 16, 1964	
	Chairman	February 15, 1968.....	January 20, 1969.
James S. Duesenberry.....	Member.....	February 2, 1966.....	June 30, 1968.
Merton J. Peck.....	Member.....	February 15, 1968.....	January 20, 1969.
Warren L. Smith	Member.....	July 1, 1968.....	January 20, 1969.
Paul W. McCracken	Chairman	February 4, 1969.....	December 31, 1971.
Hendrik S. Houthakker	Member.....	February 4, 1969.....	July 15, 1971.
Herbert Stein.....	Member.....	February 4, 1969.....	
	Chairman	January 1, 1972	August 31, 1974.
Ezra Solomon	Member.....	September 9, 1971	March 26, 1973.
Marina v.N. Whitman	Member.....	March 13, 1972	August 15, 1973.
Gary L. Seevers	Member.....	July 23, 1973	April 15, 1975.
William J. Fellner	Member.....	October 31, 1973	February 25, 1975.
Alan Greenspan	Chairman	September 4, 1974	January 20, 1977.
Paul W. MacAvoy.....	Member.....	June 13, 1975	November 15, 1976.
Burton G. Malkiel	Member.....	July 22, 1975	January 20, 1977.
Charles L. Schultze	Chairman	January 22, 1977	January 20, 1981.
William D. Nordhaus	Member.....	March 18, 1977	February 4, 1979.
Lyle E. Gramley	Member.....	March 18, 1977	May 27, 1980.
George C. Eads	Member.....	June 6, 1979	January 20, 1981.
Stephen M. Goldfeld.....	Member.....	August 20, 1980	January 20, 1981.
Murray L. Weidenbaum	Chairman	February 27, 1981.....	August 25, 1982.
William A. Niskanen	Member.....	June 12, 1981	March 30, 1985.
Jerry L. Jordan	Member.....	July 14, 1981	July 31, 1982.
Martin Feldstein	Chairman	October 14, 1982	July 10, 1984.
William Poole	Member.....	December 10, 1982.....	January 20, 1985.
Beryl W. Sprinkel.....	Chairman	April 18, 1985	January 20, 1989.
Thomas Gale Moore	Member.....	July 1, 1985.....	May 1, 1989.
Michael L. Mussa	Member.....	August 18, 1986	September 19, 1988.
Michael J. Boskin	Chairman	February 2, 1989.....	January 12, 1993.
John B. Taylor.....	Member.....	June 9, 1989	August 2, 1991.
Richard L. Schmalensee	Member.....	October 3, 1989	June 21, 1991.
David F. Bradford	Member.....	November 13, 1991	January 20, 1993.
Paul Wonnacott	Member.....	November 13, 1991	January 20, 1993.
Laura D'Andrea Tyson.....	Chair	February 5, 1993.....	April 22, 1995.
Alan S. Blinder	Member.....	July 27, 1993	June 26, 1994.
Joseph E. Stiglitz.....	Member.....	July 27, 1993	
	Chairman	June 28, 1995	February 10, 1997.
Martin N. Baily	Member.....	June 30, 1995	August 30, 1996.
Alicia H. Munnell	Member.....	January 29, 1996	August 1, 1997.
Janet L. Yellen	Chair	February 18, 1997.....	August 3, 1999.
Jeffrey A. Frankel	Member.....	April 23, 1997	March 2, 1999.
Rebecca M. Blank	Member.....	October 22, 1998	July 9, 1999.
Martin N. Baily	Chairman	August 12, 1999	
Robert Z. Lawrence	Member.....	August 12, 1999	
Kathryn L. Shaw	Member.....	May 31, 2000	

Report to the President on the Activities of the Council of Economic Advisers During 2000

The Council of Economic Advisers was established by the Employment Act of 1946 to provide the President with objective economic analysis and advice on the development and implementation of a wide range of domestic and international economic policy issues.

The Chairman of the Council

Martin N. Baily continued to chair the Council during 2000. Before joining the Council, Dr. Baily was a Principal at McKinsey & Company, Inc., at the McKinsey Global Institute in Washington.

Dr. Baily is responsible for communicating the Council's views on economic matters directly to the President through personal discussions and written reports. He also represents the Council at Cabinet meetings, meetings of the National Economic Council (NEC), daily White House senior staff meetings, budget team meetings with the President, and other formal and informal meetings with the President, senior White House staff, and other senior government officials. Dr. Baily is the Council's chief public spokesperson. He directs the work of the Council and exercises ultimate responsibility for the work of the professional staff.

The Members of the Council

Robert Z. Lawrence is a Member of the Council of Economic Advisers. Dr. Lawrence is on leave from the John F. Kennedy School of Government at Harvard University, where he is the Albert L. Williams Professor of International Trade and Investment at the Center for Business and Government.

Kathryn L. Shaw is also a Member of the Council of Economic Advisers. Dr. Shaw is on leave from Carnegie Mellon University, where she is Professor of Economics in the Graduate School of Industrial Administration.

The Chairman and the Members work as a team on most economic policy issues. Dr. Lawrence was primarily responsible for the Administration's economic forecast, macroeconomic analysis, international economic issues, and certain microeconomic issues, including those relating to natural resources, the environment, and industrial organization. Dr. Shaw was primarily responsible for policy analysis relating to the budget and taxation, labor, retirement security, health care, welfare reform, and child and family issues. The Chairman and the Members participate in the deliberations of the NEC, and Dr. Baily is a member of the NEC Principals Committee.

Weekly Economic Briefings

Dr. Baily and the Members continued to prepare the *Weekly Economic Briefing of the President of the United States* for the President, the Vice President, and the President's other senior economic and policy advisers. The Council, in cooperation with the Office of the Vice President, prepares a written briefing, which provides analysis of current economic developments, more extended discussions of a wide range of economic issues and problems, and summaries of economic developments in different regions and sectors of the economy.

Macroeconomic Policies

A primary function of the Council is to advise the President on all major macroeconomic issues and developments. The Council prepares for the President, the Vice President, and the White House senior staff almost daily memoranda that report key economic data and analyze current economic events.

The Council, the Department of the Treasury, and the Office of Management and Budget—the Administration's economic "troika"—are responsible for producing the economic forecasts that underlie the Administration's budget proposals. The Council, under the leadership of the Chairman and the Members, initiates the forecasting process twice each year. In preparing these forecasts, the Council consults with a variety of outside sources, including leading private sector forecasters.

In 2000 the Council took part in discussions on a range of macroeconomic issues, with particular focus on the markets for energy and capital. The Council engaged in discussions with other agencies concerning pressures in the market for oil and quantifying possible effects on the U.S. economy. The Council continued to participate in the President's Working Group on Financial Markets, an interagency group that monitors developments related to financial markets and the banking sector. In 2000 this

group emphasized continuing deregulation of capital markets, increasing international harmonization across markets, and regulation of new financial instruments. The Council continued to study a range of budget and tax issues, including the positive effects of continued fiscal discipline for the economy. The Council works closely with the Office of Management and Budget, the Treasury, the Federal Reserve, and the NEC, as well as other government agencies, in providing analyses to the Administration on these topics of concern.

The Council continued its efforts to improve the public's understanding of economic issues and of the Administration's economic agenda through regular briefings with the economic and financial press, frequent discussions with outside economists, and presentations to outside organizations. The Chairman and the Members also regularly exchanged views on the macroeconomy with the Chairman and Members of the Board of Governors of the Federal Reserve System.

International Economic Policies

The Council continued its role as an active participant in international economic policymaking during 2000, providing both analytical support and policy guidance. The Council played an important role in evaluating and explaining the case for trade liberalization and increased U.S. participation in the multilateral trading system. Its involvement included active participation in the Administration's successful efforts to grant permanent normal trade relations (PNTR) to China. For example, the Council contributed to Administration discussions of the benefits to the United States of PNTR and of China's accession to the World Trade Organization.

The Council was also involved in a range of other international trade issues, including evaluation of trade disputes, the state of the steel industry, and the negotiation of free-trade agreements with Singapore and Chile.

The Council is a leading participant in the Organization for Economic Cooperation and Development (OECD), the principal forum for economic cooperation among the high-income industrial countries. The Chairman heads the U.S. delegation to the semiannual meetings of the OECD's Economic Policy Committee (EPC) and serves as the EPC Chairman. Dr. Shaw led the U.S. delegation to the OECD's Working Party 1, which focused on economic growth, structural adjustment, sustainable growth, and climate change issues. In 2000 Dr. Lawrence participated in the OECD's Working Party 3 meeting on macroeconomic policy and coordination. He also participated in a meeting of subcabinet officials from the United States and Japan.

Council members regularly met with representatives of the Council's counterpart agencies in foreign countries, as well as with foreign trade ministers, other government officials, and members of the private sector. During the year the Council continued its dialogue with the State Development Planning Commission—the Council's counterpart in China—and initiated a new dialogue with economic officials in Ukraine. The Council also continued its annual meetings with the Economic Planning Agency of Japan. The Council represented the United States at other international forums as well, including meetings of the Economic Committee of the Asia-Pacific Economic Cooperation forum.

Council members were active in helping to formulate Administration policymaking on international climate change. Robert Lawrence participated in the OECD's High Level Working Group on Sustainable Development and was a member of the U.S. delegation to the Convention of the Parties (COP6) negotiations under the Kyoto Protocol, which were held in The Hague in November 2000.

Microeconomic Policies

During 2000 the Council was an active participant in policy discussions on an extensive range of microeconomic issues, including Medicare, the minimum wage, financial privacy, reform of the Federal Aviation Administration, energy supply, the digital divide, and the digital economy. In addition to providing economic policy guidance on these issues, the Council released several research papers on policy issues in the forefront of current affairs.

The Uses of Census Data: An Analytical Review, released in April, provided an overview of the myriad uses of census data by the different segments of society. It stressed the importance of accurate census data in light of its use by government at the Federal, State, and local level as well as by the business and academic communities.

Teenagers and Their Parents in the 21st Century: An Examination of Trends in Teen Behavior and the Role of Parental Involvement was released by the President in May. The report outlined several positive trends among today's teenagers, including increases in student achievement, college access, and participation in community service. It also emphasized the important role played by parents in helping teens confront the many challenges they face on a daily basis.

Opportunities and Gender Pay Equity in New Economy Occupations was also released by the President in May. It reports on women's progress in the New Economy, focusing on information technology fields and the challenges remaining for women to share fully in the benefits of jobs in that sector.

Educational Attainment and Success in the New Economy: An Analysis of Challenges for Improving Hispanic Students' Achievement was released by the President in June. The study focuses on the progress being made by, and the remaining challenges for, Hispanic students in the United States. It looks primarily at the progress of Hispanics in the information technology sector, as a good example of a rapidly expanding, high-paying sector of the economy, and it emphasizes the role of education in achieving success.

Reaching the Uninsured: Alternative Approaches to Expanding Health Insurance Access was released by the President in September. The report studies the lack of health insurance for tens of millions of Americans as a serious policy issue with adverse health and economic consequences. It also evaluates major policy options designed to make health insurance more affordable.

The Economic Impact of Third-Generation Wireless Technology was also released in September. This report documented the expected benefits of a new generation of wireless technologies that provide high-speed mobile access to the Internet and other communications networks, and explained why adequate spectrum is needed to provide these services efficiently. The report was released in conjunction with a Presidential Memorandum directing Federal agencies to work together with the private sector to identify suitable spectrum for these new services.

Philanthropy in the American Economy was released by the President in his weekly radio address on November 25. The report discusses trends in giving over the past several decades and highlights the economic explanations behind the observed increase in donations. The report also discusses possible future directions for philanthropy and how even greater giving might be encouraged.

The Council has also participated actively in interagency discussions on regulation, privatization, and competition policy. Domestically, the Council has been involved in discussions related to mergers, telecommunications policy, air traffic control, airline reservation systems, and the effects of government ownership on competition. The Council has also continued to participate in the Digital Economy Working Group, which discusses such issues as business-to-business electronic commerce and the role of venture capital in fostering innovation.

The Staff of the Council of Economic Advisers

The professional staff of the Council consists of the Chief of Staff, the Senior Statistician, the Chief Economist, the Director of Macroeconomic Forecasting, 8 senior economists, 6 staff economists, and 4 research assistants. The professional staff and their areas of concentration at the end of 2000 were:

Chief of Staff

Audrey Choi

Senior Statistician

Catherine H. Furlong

Chief Economist and Editor of the Weekly Economic Briefing of the President

Charles F. Stone

Director of Macroeconomic Forecasting

Steven N. Braun

Senior Economists

William B. Boning.....	Labor
Menzie D. Chinn.....	International Finance
Andrew G. Keeler	Environment
Peter G. Klein	Industrial Organization
Michael R. LeBlanc.....	Energy and Agriculture
Kathleen M. McGarry ..	Labor
Diane Lim Rogers.....	Macroeconomics, Public Finance, and Editor, <i>Weekly Economic Briefing of the President</i>
Phillip L. Swagel	International Trade

Staff Economists

Daniel W. Elfenbein.....	Industrial Organization
Judson L. Jaffe.....	Microeconomics and Environment
Terry L. Lumish.....	<i>Weekly Economic Briefing of the President</i>
Jason S. Seligman.....	Macroeconomics, Financial Markets, and Energy
Matthew C. Wilson	Labor
Vivian Y. Wu.....	Health and Labor

Research Assistants

Olivier Coibion	<i>Weekly Economic Briefing of the President</i> and International Economics
Kevin F. Erickson	Macroeconomics
Nathaniel F. Stankard....	<i>Weekly Economic Briefing of the President</i> and International Economics
Elizabeth A. Weber	<i>Weekly Economic Briefing of the President</i> and Labor

Statistical Office

Mrs. Furlong directs the Statistical Office. The Statistical Office maintains and updates the Council's statistical information, oversees the publication of the monthly *Economic Indicators* and the statistical appendix to the *Economic Report of the President*, and verifies statistics in Presidential and Council memoranda, testimony, and speeches.

Susan P. Clements	Statistician
Linda A. Reilly.....	Statistician
Brian A. Amorosi	Statistical Assistant
Heather L. Jambrosic	Research Assistant

Administrative Office

Catherine Fibich	Administrative Officer
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Office of the Chairman

Alice H. Williams	Executive Assistant to the Chairman
Sandra F. Daigle.....	Executive Assistant to the Chairman and Assistant to the Chief of Staff
Lisa D. Branch.....	Executive Assistant to Dr. Lawrence
Francine P. Obermiller ..	Executive Assistant to Dr. Shaw

Staff Support

Mary E. Jones	Executive Assistant for International Economics, Labor, and Health Care
Rosalind V. Rasin.....	Executive Assistant for Environment, Industrial Organization, and Agriculture
Mary A. Thomas.....	Program Assistant for the <i>Weekly Economic</i> <i>Briefing of the President</i> and Macroeconomics

Michael Treadway and Emily Chalmers provided editorial assistance in the preparation of the 2001 *Economic Report of the President*.

Student interns during the year were Sean D. Bernsohn, Aneta K. Binienda, April Botton, Karin A. Braack, Patrick M. Byrne, Carol L. Capece, Zachariah Friend, Avery W. Gardiner, Michael A. Gottfried, Claire E. Gries, Warren A. Herold, Radha K. Iyengar, Julie M. Meyers, Cameron M. Porsandeh, Claudia A. Sitgraves, and Kevin P. Sweeney. Goldie Greenstein joined the staff of the Council in January as a student intern.

Departures

The Council's senior economists, in most cases, are on leave of absence from faculty positions at academic institutions or from other government agencies or research institutions. Their tenure with the Council is usually limited to 1 or 2 years. Some of the senior economists who resigned during the year returned to their previous affiliations. They are Michael J. Brien (University of Virginia), John G. Fernald (Board of Governors of the Federal Reserve System), William H. Gillespie (Department of Justice), Lowell J. Taylor (Carnegie Mellon University), and John C. Williams (Board of Governors of the Federal Reserve System). Victoria A. Greenfield accepted a position with RAND. Joseph E. Aldy is enrolled in a graduate program at Harvard University.

Staff economists are generally graduate students who spend 1 year with the Council and then return to complete their dissertations. Those who returned to their graduate studies in 2000 are Douglas V. Almond (University of California, Berkeley), Yu-chin Chen (Harvard University), Leigh L. Linden (Massachusetts Institute of Technology), and Noah Y. Weisberger (Harvard University). Andrew R. Feldman began graduate studies at Harvard University. Jason A. Bernstein returned to his position at the Department of Agriculture's Economic Research Service, and Christopher W. Snow accepted a position at The Urban Institute. After serving as research assistants at the Council, Stephen F. Lin began graduate studies at Harvard University, John L. Goldie accepted a position at Cornerstone Research, and Sarah L. Rosen accepted a position at the National Bureau of Economic Research.

Public Information

The Council's annual *Economic Report of the President* is an important vehicle for presenting the Administration's domestic and international economic policies. It is now available for distribution as a bound volume and on the Internet, where it is accessible at www.access.gpo.gov/eop. The Council also has primary responsibility for compiling the monthly *Economic Indicators*, which is issued by the Joint Economic Committee of the Congress. The Internet address for the *Economic Indicators* is www.access.gpo.gov/congress/cong002.html. The Council's home page is located at www.whitehouse.gov/WH/EOP/CEA/html/index.html.

Appendix B
STATISTICAL TABLES RELATING TO INCOME,
EMPLOYMENT, AND PRODUCTION

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General Notes

Detail in these tables may not add to totals because of rounding.

Because of the formula used for calculating real gross domestic product (GDP), the chained (1996) dollar estimates for the detailed components do not add to the chained-dollar value of GDP or to any intermediate aggregates. The Department of Commerce (Bureau of Economic Analysis) no longer publishes chained-dollar estimates prior to 1987, except for selected series.

Unless otherwise noted, all dollar figures are in current dollars.

Symbols used:

^p Preliminary.

...Not available (also, not applicable).

Data in these tables reflect revisions made by the source agencies from late January 2000 through December 21, 2000. In particular, tables containing national income and product accounts (NIPA) estimates reflect revisions released by the Department of Commerce in April and July 2000.

NATIONAL INCOME OR EXPENDITURE

TABLE B-1.—*Gross domestic product, 1959–2000*

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment							
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment					Change in private inventories	
							Total	Nonresidential			Residential		
								Total	Structures	Equipment and software			
1959	507.4	318.1	42.7	148.5	127.0	78.5	74.6	46.5	18.1	28.4	28.1	3.9	
1960	527.4	332.3	43.3	152.9	136.1	78.9	75.7	49.4	19.6	29.8	26.3	3.2	
1961	545.7	342.7	41.8	156.6	144.3	78.2	75.2	48.8	19.7	29.1	26.4	3.0	
1962	586.5	363.8	46.9	162.8	154.1	88.1	82.0	53.1	20.8	32.3	29.0	6.1	
1963	618.7	383.1	51.6	168.2	163.4	93.8	88.1	56.0	21.2	34.8	32.1	5.6	
1964	664.4	411.7	56.7	176.4	176.4	102.1	97.2	63.0	23.7	39.2	34.3	4.8	
1965	720.1	444.3	63.3	191.6	189.5	118.2	109.0	74.8	28.3	46.5	34.2	9.2	
1966	789.3	481.8	68.3	208.8	204.7	131.3	117.7	85.4	31.3	54.0	32.3	13.6	
1967	834.1	508.7	70.4	217.1	221.2	128.6	118.7	86.4	31.5	54.9	32.4	9.9	
1968	911.5	558.7	80.8	235.7	242.3	141.2	132.1	93.4	33.6	59.9	38.7	9.1	
1969	985.3	605.5	85.9	253.2	266.4	156.4	147.3	104.7	37.7	67.0	42.6	9.2	
1970	1,039.7	648.9	85.0	272.0	292.0	152.4	150.4	109.0	40.3	68.7	41.4	2.0	
1971	1,128.6	702.4	96.9	285.5	320.0	178.2	169.9	114.1	42.7	71.5	55.8	8.3	
1972	1,240.4	770.7	110.4	308.0	352.3	207.6	198.5	128.8	47.2	81.7	69.7	9.1	
1973	1,385.5	852.5	123.5	343.1	385.9	244.5	228.6	153.3	55.0	98.3	75.3	15.9	
1974	1,501.0	932.4	122.3	384.5	425.5	249.4	235.4	169.5	61.2	108.2	66.0	14.0	
1975	1,635.2	1,030.3	133.5	420.7	476.1	230.2	236.5	173.7	61.4	112.4	62.7	–6.3	
1976	1,823.9	1,149.8	158.9	458.3	532.6	292.0	274.8	192.4	65.9	126.4	82.5	17.1	
1977	2,031.4	1,278.4	181.2	497.2	600.0	361.3	339.0	228.7	74.6	154.1	110.3	22.3	
1978	2,295.9	1,430.4	201.7	550.2	678.4	436.0	410.2	278.6	91.4	187.2	131.6	25.8	
1979	2,566.4	1,596.3	214.4	624.4	757.4	490.6	472.7	331.6	114.9	216.7	141.0	18.0	
1980	2,795.6	1,762.9	214.2	696.1	852.7	477.9	484.2	360.9	133.9	227.0	123.2	–6.3	
1981	3,131.3	1,944.2	231.3	758.9	954.0	570.8	541.0	418.4	164.6	253.8	122.6	29.8	
1982	3,259.2	2,079.3	240.2	787.6	1,051.5	516.1	531.0	425.3	175.0	250.3	105.7	–14.9	
1983	3,534.9	2,286.4	281.2	831.2	1,174.0	564.2	570.0	417.4	152.7	264.7	152.5	–5.8	
1984	3,932.7	2,498.4	326.9	884.7	1,286.9	735.5	670.1	490.3	176.0	314.3	179.8	65.4	
1985	4,213.0	2,712.6	363.3	928.8	1,420.6	736.3	714.5	527.6	193.3	334.3	186.9	21.8	
1986	4,452.9	2,895.2	401.3	958.5	1,535.4	747.2	740.7	522.5	175.8	346.8	218.1	6.6	
1987	4,742.5	3,105.3	419.7	1,015.3	1,670.3	781.5	754.3	526.7	172.1	354.7	227.6	27.1	
1988	5,108.3	3,356.6	450.2	1,082.9	1,823.5	821.1	802.7	568.4	181.6	386.8	234.2	18.5	
1989	5,489.1	3,596.7	467.8	1,165.4	1,963.5	872.9	845.2	613.4	193.4	420.0	231.8	27.7	
1990	5,803.2	3,831.5	467.6	1,246.1	2,117.8	861.7	847.2	630.3	202.5	427.8	216.8	14.5	
1991	5,986.2	3,971.2	443.0	1,278.8	2,249.4	800.2	800.4	608.9	183.4	425.4	191.5	–2	
1992	6,318.9	4,209.7	470.8	1,322.9	2,415.9	866.6	851.6	626.1	172.2	453.9	225.5	15.0	
1993	6,642.3	4,454.7	513.4	1,375.2	2,566.1	955.1	934.0	682.2	179.4	502.8	251.8	21.1	
1994	7,054.3	4,716.4	560.8	1,438.0	2,717.6	1,097.1	1,034.6	748.6	187.5	561.1	286.0	62.6	
1995	7,400.5	4,969.0	589.7	1,497.3	2,882.0	1,143.8	1,110.7	825.1	204.6	620.5	285.6	33.0	
1996	7,813.2	5,237.5	616.5	1,574.1	3,047.0	1,242.7	1,212.7	899.4	225.0	674.4	313.3	30.0	
1997	8,318.4	5,529.3	642.5	1,641.6	3,245.2	1,390.5	1,327.7	999.4	255.8	743.6	328.2	62.9	
1998	8,790.2	5,850.9	693.9	1,707.6	3,449.3	1,549.9	1,472.9	1,107.5	283.2	824.3	365.4	77.0	
1999	9,299.2	6,268.7	761.3	1,845.5	3,661.9	1,650.1	1,606.8	1,203.1	285.6	917.4	403.8	43.3	
1995: I	7,297.5	4,868.6	578.2	1,475.8	2,814.7	1,162.8	1,100.1	812.5	200.5	612.0	287.6	62.7	
II	7,342.6	4,943.7	584.4	1,492.2	2,867.1	1,133.1	1,097.2	820.3	204.8	615.5	276.9	35.8	
III	7,432.8	5,005.2	596.2	1,502.6	2,906.3	1,123.5	1,110.1	825.2	206.2	619.0	284.9	13.4	
IV	7,529.3	5,058.4	600.0	1,518.5	2,939.9	1,155.6	1,135.4	842.3	207.0	635.3	293.1	20.2	
1996: I	7,629.6	5,130.5	606.4	1,539.6	2,984.4	1,172.4	1,165.6	865.1	213.4	651.7	300.5	6.8	
II	7,782.7	5,218.0	621.3	1,569.4	3,027.4	1,231.5	1,201.7	885.4	220.0	665.4	316.3	29.8	
III	7,859.0	5,263.7	616.7	1,578.8	3,068.2	1,282.6	1,232.6	913.6	226.3	687.3	319.0	50.0	
IV	7,981.4	5,337.9	621.5	1,608.4	3,107.9	1,284.3	1,250.9	933.7	240.3	693.4	317.2	33.5	
1997: I	8,124.2	5,429.9	635.1	1,626.8	3,168.0	1,324.2	1,275.5	955.5	246.9	708.6	320.0	48.8	
II	8,279.8	5,470.8	624.4	1,627.3	3,219.1	1,397.7	1,310.0	984.3	247.7	736.6	325.7	87.7	
III	8,390.9	5,575.9	652.4	1,653.1	3,270.4	1,405.7	1,355.8	1,026.0	260.6	765.4	329.8	49.9	
IV	8,478.6	5,640.6	658.3	1,659.0	3,323.3	1,434.5	1,369.3	1,031.8	267.9	764.0	337.5	65.1	
1998: I	8,634.7	5,712.6	670.5	1,672.5	3,369.7	1,532.1	1,419.7	1,073.0	275.1	797.9	346.7	112.4	
II	8,722.0	5,811.4	689.3	1,694.8	3,427.4	1,523.9	1,465.4	1,105.8	286.3	819.5	359.6	58.5	
III	8,829.1	5,893.4	692.5	1,717.9	3,482.9	1,553.0	1,482.4	1,110.5	283.9	826.6	371.9	70.5	
IV	8,974.9	5,986.0	723.4	1,745.2	3,517.4	1,590.8	1,524.1	1,140.7	287.6	853.1	383.4	66.6	
1999: I	9,104.5	6,095.3	733.9	1,786.4	3,575.0	1,609.8	1,560.6	1,165.3	287.2	878.1	395.3	49.2	
II	9,191.5	6,213.2	756.3	1,825.3	3,631.5	1,607.9	1,593.4	1,188.0	283.7	904.3	405.4	14.5	
III	9,340.9	6,319.9	767.2	1,860.0	3,692.7	1,659.1	1,622.4	1,216.8	281.2	935.6	405.6	36.7	
IV	9,559.7	6,446.2	787.6	1,910.2	3,748.5	1,723.7	1,651.0	1,242.2	290.4	951.8	408.8	72.7	
2000: I	9,752.7	6,621.7	826.3	1,963.9	3,831.6	1,755.7	1,725.8	1,308.5	308.9	999.6	417.3	29.9	
II	9,945.7	6,706.3	814.3	1,997.6	3,894.4	1,852.6	1,780.5	1,359.2	315.1	1,044.1	421.3	72.0	
III	10,039.4	6,810.8	824.7	2,031.5	3,954.6	1,869.3	1,803.0	1,390.6	330.1	1,060.5	412.4	66.4	

See next page for continuation of table.

TABLE B-1.—*Gross domestic product, 1959–2000*—Continued

[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Net exports of goods and services			Government consumption expenditures and gross investment					Final sales of domestic product	Gross domestic purchases ¹	Addendum: Gross national product ²	Percent change from preceding period				
	Net exports	Exports	Imports	Total	Federal			State and local				Gross domestic product	Gross domestic purchases ¹			
					Total	National defense	Non-defense									
1959	-1.7	20.6	22.3	112.5	67.4	56.0	11.4	45.1	503.5	509.1	510.3	8.4	8.9			
1960	2.4	25.3	22.8	113.8	65.9	55.2	10.7	47.9	524.1	525.0	530.6	3.9	3.1			
1961	3.4	26.0	22.7	121.5	69.5	58.1	11.3	52.0	542.7	542.3	549.3	3.5	3.3			
1962	2.4	27.4	25.0	132.2	76.9	62.8	14.1	55.3	580.4	584.1	590.7	7.5	7.7			
1963	3.3	29.4	26.1	138.5	78.5	62.7	15.8	59.9	613.1	615.4	623.2	5.5	5.4			
1964	5.5	33.6	28.1	145.1	79.8	61.8	18.0	65.3	659.6	658.9	669.4	7.4	7.1			
1965	3.9	35.4	31.5	153.7	82.1	62.4	19.7	71.6	710.9	716.2	725.5	8.4	8.7			
1966	1.9	38.9	37.1	174.3	94.4	73.8	20.7	79.9	775.7	787.4	794.5	9.6	9.9			
1967	1.4	41.4	39.9	195.3	106.8	85.8	21.0	88.6	824.2	832.6	839.5	5.7	5.7			
1968	-1.3	45.3	46.6	212.8	114.0	92.2	21.8	98.8	902.4	912.7	917.6	9.3	9.6			
1969	-1.2	49.3	50.5	224.6	116.1	92.6	23.5	108.5	976.2	986.5	991.5	8.1	8.1			
1970	1.2	57.0	55.8	237.1	116.4	90.9	25.5	120.7	1,037.7	1,038.5	1,046.1	5.5	5.3			
1971	-3.0	59.3	62.3	251.0	117.6	89.0	28.6	133.5	1,120.3	1,131.6	1,136.2	8.6	9.0			
1972	-8.0	66.2	74.2	270.1	125.6	93.5	32.2	144.4	1,231.3	1,248.4	1,249.1	9.9	10.3			
1973 .....	.6	91.8	91.2	287.9	127.8	93.9	33.9	160.1	1,369.7	1,384.9	1,398.2	11.7	10.9		
1974	-3.1	124.3	127.5	322.4	138.2	99.7	38.5	184.2	1,487.0	1,504.2	1,516.7	8.3	8.6			
1975	13.6	136.3	122.7	361.1	152.1	107.9	44.2	209.0	1,641.4	1,621.6	1,648.4	8.9	7.8			
1976	-2.3	148.9	151.1	384.5	160.6	113.2	47.4	223.9	1,806.8	1,826.2	1,841.0	11.5	12.6			
1977	-23.7	158.8	182.4	415.3	176.0	122.6	53.5	239.3	2,009.1	2,055.1	2,052.1	11.4	12.5			
1978	-26.1	186.1	212.3	455.6	191.9	132.0	59.8	263.8	2,270.1	2,322.0	2,318.0	13.0	13.0			
1979	-24.0	228.7	252.7	503.5	211.6	146.7	65.0	291.8	2,548.4	2,590.4	2,599.3	11.8	11.6			
1980	-14.9	278.9	293.8	569.7	245.3	169.6	75.6	324.4	2,801.9	2,810.5	2,830.8	8.9	8.5			
1981	-15.0	302.8	317.8	631.4	281.8	197.8	84.0	349.6	3,101.5	3,146.3	3,166.1	12.0	12.0			
1982	-20.5	282.6	303.2	684.4	312.8	228.3	84.5	371.6	3,274.1	3,279.8	3,295.7	4.1	4.2			
1983	-51.7	277.0	328.6	735.9	344.4	252.5	92.0	391.5	3,540.7	3,586.6	3,571.8	8.5	9.4			
1984	-102.0	303.1	405.1	800.8	376.4	283.5	92.8	424.4	3,867.3	4,034.7	3,968.1	11.3	12.5			
1985	-114.2	303.0	417.2	878.3	413.4	312.4	101.0	464.9	4,191.2	4,327.2	4,238.4	7.1	7.2			
1986	-131.9	320.3	452.2	942.3	438.7	332.2	106.5	503.6	4,446.3	4,584.7	4,468.3	5.7	6.0			
1987	-142.3	365.6	507.9	997.9	460.4	351.2	109.3	537.5	4,715.3	4,884.7	4,756.2	6.5	6.5			
1988	-106.3	446.9	553.2	1,036.9	462.6	355.9	106.8	574.3	5,089.8	5,214.6	5,126.8	7.7	6.8			
1989	-80.7	509.0	589.7	1,100.2	482.6	363.2	119.3	617.7	5,461.4	5,569.8	5,509.4	7.5	6.8			
1990	-71.4	557.2	628.6	1,181.4	508.4	374.9	133.6	673.0	5,788.7	5,874.7	5,832.2	5.7	5.5			
1991	-20.7	601.6	622.3	1,235.5	527.4	384.5	142.9	708.1	5,986.4	6,006.9	6,010.9	3.2	2.3			
1992	-27.9	636.8	664.6	1,270.5	534.5	378.5	156.0	736.0	6,303.9	6,346.8	6,342.3	5.6	5.7			
1993	-60.5	658.0	718.5	1,293.0	527.3	364.9	162.4	765.7	6,621.2	6,702.8	6,666.7	5.1	5.6			
1994	-87.1	725.1	812.1	1,327.9	521.1	355.1	165.9	806.8	6,991.8	7,141.4	7,071.1	6.2	6.5			
1995	-84.3	818.6	902.8	1,372.0	521.5	350.6	170.9	850.5	7,367.5	7,484.8	7,420.9	4.9	4.8			
1996	-89.0	874.2	963.1	1,421.9	531.6	357.0	174.6	890.4	7,783.2	7,902.1	7,831.2	5.6	5.6			
1997	-89.3	966.4	1,055.8	1,487.9	538.2	352.6	185.6	949.7	8,255.5	8,407.7	8,325.4	6.5	6.4			
1998	-151.5	966.0	1,117.5	1,540.9	540.6	349.2	191.4	1,000.3	8,713.2	8,941.7	8,786.7	5.7	6.4			
1999	-254.0	990.2	1,244.2	1,634.4	568.6	365.0	203.5	1,065.8	9,255.9	9,553.2	9,288.2	5.8	6.8			
1995:I	-94.5	787.7	882.2	1,360.6	523.4	352.2	171.2	837.1	7,234.8	7,392.0	7,318.9	4.5	4.5			
1995:II	-109.0	802.5	911.5	1,374.9	525.5	353.9	171.6	849.4	7,306.8	7,451.6	7,367.9	2.5	3.3			
1995:III	-74.2	834.1	908.3	1,378.3	525.0	352.7	172.3	853.3	7,419.4	7,507.0	7,444.1	5.0	3.0			
1995:IV	-59.3	850.0	909.3	1,374.5	512.3	343.6	168.7	862.2	7,509.1	7,588.5	7,552.7	5.3	4.4			
1996:I	-75.8	853.3	929.1	1,402.6	530.6	356.1	174.5	872.0	7,622.8	7,705.4	7,656.5	5.4	6.3			
1996:II	-89.8	864.7	954.5	1,423.0	537.2	361.3	175.9	885.7	7,752.9	7,872.4	7,800.3	8.3	9.0			
1996:III	-110.6	865.6	976.1	1,423.4	529.1	355.6	173.5	894.3	7,809.0	7,969.6	7,870.5	4.0	5.0			
1996:IV	-79.7	913.1	992.8	1,438.9	529.4	355.0	174.5	909.4	7,947.9	8,061.1	7,997.7	6.4	4.7			
1997:I	-89.2	927.8	1,017.1	1,459.2	529.2	346.4	182.8	930.0	8,075.4	8,213.4	8,131.8	7.3	7.8			
1997:II	-96.8	966.8	1,041.7	1,486.3	543.4	355.0	188.4	942.9	8,192.1	8,354.7	8,291.8	7.9	7.1			
1997:III	-88.6	988.7	1,077.3	1,498.0	541.3	354.7	186.6	956.6	8,341.1	8,479.5	8,397.7	5.5	6.1			
1997:IV	-104.6	982.4	1,087.0	1,508.2	538.9	354.4	184.5	969.3	8,413.5	8,583.2	8,480.4	4.2	5.0			
1998:I	-117.5	975.0	1,092.6	1,507.6	528.0	338.6	189.3	979.6	8,522.4	8,752.3	8,640.3	7.6	8.1			
1998:II	-151.8	962.8	1,114.7	1,538.6	544.9	349.3	195.6	993.7	8,663.5	8,873.8	8,725.0	4.1	5.7			
1998:III	-167.6	947.8	1,115.4	1,550.3	541.4	355.0	186.4	1,008.9	8,758.5	8,996.7	8,814.9	5.0	5.7			
1998:IV	-169.0	978.3	1,147.3	1,567.2	548.0	353.8	194.2	1,019.2	8,908.3	9,143.9	8,966.6	6.8	6.7			
1999:I	-196.1	957.3	1,153.4	1,595.5	554.1	356.5	197.6	1,041.4	9,055.3	9,300.6	9,097.2	5.9	7.0			
1999:II	-240.4	973.0	1,213.4	1,610.9	558.3	355.3	203.0	1,052.6	9,177.0	9,432.0	9,181.8	3.9	5.8			
1999:III	-280.5	999.5	1,280.0	1,642.4	570.4	367.5	202.8	1,072.1	9,304.2	9,621.4	9,327.3	6.7	8.3			
1999:IV	-299.1	1,031.0	1,330.1	1,688.8	591.6	380.8	210.7	1,097.3	9,486.9	9,858.8	9,546.3	9.7	10.2			
2000:I	-335.2	1,051.9	1,387.1	1,710.4	580.1	366.6	213.5	1,130.4	9,722.8	10,087.9	9,745.0	8.3	9.6			
2000:II	-355.4	1,092.9	1,448.3	1,742.2	604.5	381.9	222.6	1,137.7	9,873.7	10,301.1	9,937.4	8.2	8.7			
2000:III	-389.5	1,130.8	1,520.3	1,748.8	594.2	375.0	219.2	1,154.6	9,973.1	10,429.0	10,030.5	3.8	5.1			

¹ Gross domestic product (GDP) less exports of goods and services plus imports of goods and services.² GDP plus net income receipts from rest of the world.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-2.—*Real gross domestic product, 1959–2000*
[Billions of chained (1996) dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment						Change in private inventories
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment					
							Total	Nonresidential			Residential	
								Total	Structures	Equipment and software		
1959	2,319.0	1,470.7				272.9						
1960	2,376.7	1,510.8				272.8						
1961	2,432.0	1,541.2				271.0						
1962	2,578.9	1,617.3				305.3						
1963	2,690.4	1,684.0				325.7						
1964	2,846.5	1,784.8				352.6						
1965	3,028.5	1,897.6				402.0						
1966	3,227.5	2,006.1				437.3						
1967	3,308.3	2,066.2				417.2						
1968	3,466.1	2,184.2				441.3						
1969	3,571.4	2,264.8				466.9						
1970	3,578.0	2,317.5				436.2						
1971	3,697.7	2,405.2				485.8						
1972	3,898.4	2,550.5				543.0						
1973	4,123.4	2,675.9				606.5						
1974	4,099.0	2,653.7				561.7						
1975	4,084.4	2,710.9				462.2						
1976	4,311.7	2,868.9				555.5						
1977	4,511.8	2,992.1				639.4						
1978	4,760.6	3,124.7				713.0						
1979	4,912.1	3,203.2				735.4						
1980	4,900.9	3,193.0				655.3						
1981	5,021.0	3,236.0				715.6						
1982	4,919.3	3,275.5				615.2						
1983	5,132.3	3,454.3				673.7						
1984	5,505.2	3,640.6				871.5						
1985	5,717.1	3,820.9				863.4						
1986	5,912.4	3,981.2				857.7						
1987	6,113.3	4,113.4	455.2	1,274.5	2,379.3	879.3	856.0	572.5	224.3	360.0	290.7	29.6
1988	6,368.4	4,279.5	481.5	1,315.1	2,477.2	902.8	887.1	603.6	227.1	386.9	289.2	18.4
1989	6,591.8	4,393.7	491.7	1,351.0	2,546.0	936.5	911.2	637.0	232.7	414.0	277.3	29.6
1990	6,707.9	4,474.5	487.1	1,369.6	2,616.2	907.3	894.6	641.7	236.1	415.7	253.5	16.5
1991	6,676.4	4,466.6	454.9	1,364.0	2,651.8	829.5	832.5	610.1	210.1	407.2	221.1	-1.0
1992	6,880.0	4,594.5	479.0	1,389.7	2,729.7	899.8	886.5	630.6	197.3	437.5	257.2	17.1
1993	7,062.6	4,748.9	518.3	1,430.3	2,802.5	977.9	958.4	683.6	198.9	487.1	276.0	20.0
1994	7,347.7	4,928.1	557.7	1,485.1	2,886.2	1,107.0	1,045.9	744.6	200.5	544.9	302.7	66.8
1995	7,543.8	5,075.6	583.5	1,529.0	2,963.4	1,140.6	1,109.2	817.5	210.1	607.6	291.7	30.4
1996	7,813.2	5,237.5	616.5	1,574.1	3,047.0	1,242.7	1,212.7	899.4	225.0	674.4	313.3	30.0
1997	8,159.5	5,423.9	657.3	1,619.9	3,147.0	1,393.3	1,328.6	1,009.3	245.4	764.2	319.7	63.8
1998	8,515.7	5,678.7	727.3	1,684.8	3,269.4	1,566.8	1,485.3	1,140.3	263.0	879.0	346.1	80.2
1999	8,875.8	5,978.8	817.8	1,779.4	3,390.8	1,669.7	1,621.4	1,255.3	259.2	1,003.1	368.3	45.3
1995: I	7,488.7	5,011.6	570.4	1,514.3	2,927.3	1,162.4	1,101.9	806.4	208.1	598.5	295.8	62.2
II	7,503.3	5,059.6	577.4	1,525.3	2,957.4	1,128.5	1,095.0	811.4	211.0	600.7	283.5	32.5
III	7,561.4	5,099.2	590.7	1,531.7	2,977.0	1,119.1	1,107.1	816.7	210.9	606.0	290.4	9.0
IV	7,621.9	5,132.1	595.7	1,544.6	2,992.0	1,152.4	1,132.7	835.5	210.4	625.0	297.3	18.0
1996: I	7,676.4	5,174.3	601.7	1,553.9	3,018.8	1,172.3	1,165.2	861.6	215.9	645.8	303.6	5.6
II	7,802.9	5,229.5	620.4	1,569.9	3,039.2	1,233.4	1,203.7	885.6	221.3	664.3	318.1	30.3
III	7,841.9	5,254.3	618.1	1,578.6	3,057.7	1,281.4	1,231.6	914.3	225.4	688.9	317.3	51.2
IV	7,931.3	5,291.9	625.7	1,593.9	3,072.2	1,283.7	1,250.2	936.2	237.3	698.8	314.0	32.9
1997: I	8,016.4	5,350.7	641.5	1,605.6	3,103.7	1,325.4	1,275.4	960.8	241.1	719.6	314.7	49.3
II	8,131.9	5,375.7	636.5	1,608.2	3,130.6	1,400.6	1,311.1	992.7	239.3	753.7	318.7	88.3
III	8,216.6	5,462.1	670.5	1,631.7	3,160.6	1,408.6	1,356.7	1,037.0	248.5	788.9	320.3	51.3
IV	8,272.9	5,507.1	680.9	1,634.1	3,193.0	1,438.5	1,371.3	1,047.0	252.7	794.5	324.9	66.1
1998: I	8,404.9	5,572.4	696.4	1,652.8	3,224.5	1,545.1	1,427.4	1,096.0	257.5	839.4	332.4	117.3
II	8,465.6	5,651.6	719.4	1,676.3	3,258.2	1,540.8	1,477.6	1,136.4	266.2	871.3	342.4	60.9
III	8,537.6	5,711.0	726.7	1,694.2	3,292.4	1,571.4	1,496.4	1,146.3	263.0	885.2	350.9	73.1
IV	8,654.5	5,779.8	766.7	1,716.0	3,302.8	1,609.9	1,539.7	1,182.3	265.1	920.0	358.5	69.4
1999: I	8,730.0	5,860.2	782.7	1,748.5	3,335.8	1,623.2	1,574.0	1,209.4	262.9	950.9	365.7	48.1
II	8,783.2	5,940.2	810.5	1,765.0	3,373.4	1,623.1	1,607.1	1,237.5	258.7	985.0	370.9	13.1
III	8,905.8	6,013.8	826.2	1,786.1	3,411.1	1,680.8	1,637.8	1,272.5	254.6	1,026.6	368.0	39.1
IV	9,084.1	6,101.0	851.8	1,818.1	3,443.0	1,751.6	1,666.6	1,301.8	260.6	1,050.1	368.5	80.9
2000: I	9,191.8	6,213.5	898.2	1,844.8	3,487.2	1,773.6	1,730.9	1,365.3	274.0	1,100.4	371.4	36.6
II	9,318.9	6,260.6	886.7	1,861.1	3,526.7	1,863.0	1,777.6	1,412.5	277.0	1,146.6	372.6	78.6
III	9,369.5	6,329.8	903.2	1,882.6	3,559.3	1,871.1	1,791.3	1,438.8	286.6	1,162.4	362.3	72.5

See next page for continuation of table.

TABLE B-2.—*Real gross domestic product, 1959–2000—Continued*
 [Billions of chained (1996) dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Net exports of goods and services			Government consumption expenditures and gross investment				Final sales of domestic product	Gross domestic purchases ¹	Addendum: Gross national product ²	Percent change from preceding period			
	Net exports	Exports	Imports	Total	Federal						Gross domestic product	Gross domestic purchases ¹		
					Total	National defense	Non-defense	State and local						
1959		72.4	106.6	661.4					2,317.4	2,377.2	2,332.8	7.2	7.6	
1960		87.5	108.0	661.3					2,378.5	2,417.5	2,391.9	2.5	1.7	
1961		88.9	107.3	693.2					2,435.5	2,471.5	2,448.8	2.3	2.2	
1962		93.7	119.5	735.0					2,569.5	2,626.9	2,598.0	6.0	6.3	
1963		100.7	122.7	752.4					2,683.6	2,734.7	2,710.8	4.3	4.1	
1964		114.2	129.2	767.1					2,844.1	2,883.0	2,868.5	5.8	5.4	
1965		116.5	142.9	791.1					3,008.5	3,079.1	3,051.7	6.4	6.8	
1966		124.3	164.2	862.1					3,191.1	3,292.3	3,248.9	6.6	6.9	
1967		127.0	176.2	927.1					3,288.2	3,382.6	3,330.4	2.5	2.7	
1968		136.3	202.4	956.6					3,450.0	3,555.9	3,489.8	4.8	5.1	
1969		143.7	213.9	952.5					3,555.9	3,664.5	3,594.1	3.0	3.1	
1970		159.3	223.1	931.1					3,588.6	3,659.6	3,600.6	2	–1	
1971		160.4	235.0	913.8					3,688.1	3,791.1	3,722.9	3.3	3.6	
1972		173.5	261.3	914.9					3,887.7	4,003.8	3,925.7	5.4	5.6	
1973		211.4	273.4	908.3					4,094.3	4,196.6	4,161.0	5.8	4.8	
1974		231.6	267.2	924.8					4,080.7	4,136.5	4,142.3	–6	–1.4	
1975		230.0	237.5	942.5					4,118.5	4,085.2	4,117.7	–4	–1.2	
1976		243.6	284.0	943.3					4,288.8	4,354.2	4,351.4	5.6	6.6	
1977		249.7	315.0	952.7					4,478.8	4,586.4	4,556.6	4.6	5.3	
1978		275.9	342.3	982.2					4,722.9	4,834.8	4,805.3	5.5	5.4	
1979		302.4	347.9	1,001.1					4,894.4	4,956.3	4,973.9	3.2	2.5	
1980		334.8	324.8	1,020.9					4,928.1	4,863.8	4,962.3	–2	–1.9	
1981		338.6	333.4	1,030.0					4,989.5	4,990.0	5,075.4	2.5	2.6	
1982		314.6	329.2	1,046.0					4,954.9	4,916.6	4,973.6	–2.0	–1.5	
1983		306.9	370.7	1,081.0					5,154.5	5,194.1	5,184.9	4.3	5.6	
1984		332.6	461.0	1,118.4					5,427.9	5,646.6	5,553.8	7.3	8.7	
1985		341.6	490.7	1,190.5					5,698.8	5,883.1	5,750.9	3.8	4.2	
1986		366.8	531.9	1,255.2					5,912.6	6,096.2	5,932.5	3.4	3.6	
1987	–156.2	408.0	564.2	1,292.5	597.8	450.2	146.5	695.6	6,088.8	6,286.2	6,130.8	3.4	3.1	
1988	–112.1	473.5	585.6	1,307.5	586.9	446.8	138.9	721.4	6,352.6	6,489.5	6,391.1	4.2	3.2	
1989	–79.4	529.4	608.8	1,343.5	594.7	443.3	150.5	749.5	6,565.4	6,674.6	6,615.5	3.5	2.9	
1990	–56.5	575.7	632.2	1,387.3	606.8	443.2	163.0	781.1	6,695.6	6,764.9	6,740.0	1.8	1.4	
1991	–15.8	613.2	629.0	1,403.4	604.9	438.4	166.0	798.9	6,681.5	6,688.4	6,703.4	–5	–1.1	
1992	–19.8	651.0	670.8	1,410.0	595.1	417.1	177.9	815.3	6,867.7	6,896.4	6,905.8	3.0	3.1	
1993	–59.1	672.7	731.8	1,398.8	572.0	394.7	177.3	827.0	7,043.8	7,120.6	7,087.8	2.7	3.3	
1994	–86.5	732.8	819.4	1,400.1	551.3	375.9	175.5	848.9	7,285.8	7,434.2	7,364.3	4.0	4.4	
1995	–78.4	808.2	886.6	1,406.4	536.5	361.9	174.6	869.9	7,512.2	7,621.8	7,564.0	2.7	2.5	
1996	–89.0	874.2	963.1	1,421.9	531.6	357.0	174.6	890.4	7,783.2	7,902.1	7,831.2	3.6	3.7	
1997	–113.3	981.5	1,094.8	1,455.4	529.6	347.7	181.8	925.8	8,095.2	8,271.7	8,168.1	4.4	4.7	
1998	–221.0	1,003.6	1,224.6	1,486.4	526.9	341.7	185.2	959.2	8,435.2	8,727.9	8,515.1	4.4	5.5	
1999	–322.4	1,033.0	1,355.3	1,536.1	540.1	348.5	191.5	995.6	8,826.9	9,179.1	8,868.3	4.2	5.2	
1995:I	–92.5	780.6	873.1	1,407.3	544.1	366.9	177.2	863.3	7,427.3	7,581.3	7,510.2	1.5	1.7	
II	–97.5	788.9	886.4	1,414.0	544.3	367.0	177.3	869.7	7,469.6	7,601.1	7,528.6	8	1.0	
III	–67.3	821.9	889.1	1,410.8	540.4	363.3	177.1	870.4	7,549.7	7,627.9	7,572.3	3.1	1.4	
IV	–56.4	841.4	897.8	1,393.5	517.1	350.4	166.8	876.4	7,602.5	7,677.2	7,645.2	3.2	2.6	
1996:I	–75.0	846.1	921.1	1,404.8	529.1	356.4	172.7	875.7	7,669.6	7,751.0	7,703.1	2.9	3.9	
II	–90.4	860.1	950.4	1,430.4	540.2	363.0	177.2	890.2	7,773.4	7,893.1	7,820.4	6.8	7.5	
III	–115.9	867.0	982.9	1,422.0	529.5	355.4	174.1	892.5	7,792.1	7,957.9	7,853.5	2.0	3.3	
IV	–74.6	923.5	998.1	1,430.6	527.6	353.3	174.4	903.0	7,897.6	8,006.5	7,947.9	4.6	2.5	
1997:I	–94.0	940.3	1,034.3	1,434.6	521.7	341.6	180.1	912.8	7,966.4	8,110.6	8,025.1	4.4	5.3	
II	–100.6	979.2	1,079.8	1,457.0	534.8	350.3	184.5	922.2	8,043.2	8,232.3	8,145.6	5.9	6.1	
III	–119.6	1,004.2	1,123.8	1,464.8	533.4	350.4	182.9	931.4	8,164.9	8,334.5	8,225.1	4.2	5.1	
IV	–139.2	1,002.1	1,141.2	1,465.3	528.4	348.5	179.8	936.8	8,206.3	8,409.4	8,276.9	2.8	3.6	
1998:I	–175.3	1,004.5	1,179.8	1,461.6	515.9	332.0	183.8	945.5	8,289.4	8,575.2	8,412.9	6.5	8.1	
II	–219.8	996.8	1,216.6	1,487.6	531.8	342.4	189.3	955.7	8,402.7	8,676.8	8,471.4	2.9	4.8	
III	–244.1	988.8	1,232.9	1,492.9	527.5	347.2	180.3	965.1	8,463.4	8,771.4	8,526.7	3.4	4.4	
IV	–244.9	1,024.1	1,269.0	1,503.3	532.4	345.1	187.2	970.7	8,585.0	8,888.2	8,649.3	5.6	5.4	
1999:I	–279.8	1,003.3	1,283.1	1,517.1	529.5	342.4	187.0	987.2	8,680.3	8,996.2	8,726.0	3.5	4.9	
II	–314.6	1,017.6	1,332.2	1,519.9	532.1	340.3	191.6	987.5	8,764.9	9,079.6	8,776.7	2.5	3.8	
III	–342.6	1,042.6	1,385.2	1,537.8	541.0	350.4	190.5	996.4	8,861.8	9,226.7	8,895.4	5.7	6.6	
IV	–352.5	1,068.4	1,420.9	1,569.5	558.1	360.9	197.1	1,011.2	9,000.5	9,414.1	9,075.0	8.3	8.4	
2000:I	–376.8	1,084.8	1,461.7	1,565.1	537.1	341.5	195.4	1,027.4	9,148.0	9,543.6	9,187.7	4.8	5.6	
II	–403.4	1,121.8	1,525.2	1,583.7	558.8	355.1	203.6	1,024.6	9,235.3	9,694.3	9,313.7	5.6	6.5	
III	–427.7	1,158.8	1,586.4	1,578.2	545.8	346.2	199.4	1,031.9	9,290.9	9,766.0	9,362.8	2.2	3.0	

¹ Gross domestic product (GDP) less exports of goods and services plus imports of goods and services.

² GDP plus net income receipts from rest of the world.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-3.—*Quantity and price indexes for gross domestic product, and percent changes, 1959–2000*
[Quarterly data are seasonally adjusted]

Year or quarter	Gross domestic product (GDP)							
	Index numbers, 1996=100				Percent change from preceding period ¹			
	GDP (current dollars)	Real GDP (chain-type quantity index)	GDP chain-type price index	GDP implicit price deflator	GDP (current dollars)	Real GDP (chain-type quantity index)	GDP chain-type price index	GDP implicit price deflator
1959	6.49	29.68	21.88	21.88	8.4	7.2	1.1	1.1
1960	6.75	30.42	22.19	22.19	3.9	2.5	1.4	1.4
1961	6.98	31.13	22.43	22.44	3.5	2.3	1.1	1.1
1962	7.51	33.01	22.74	22.74	7.5	6.0	1.4	1.4
1963	7.92	34.43	22.99	23.00	5.5	4.3	1.1	1.1
1964	8.50	36.43	23.34	23.34	7.4	5.8	1.5	1.5
1965	9.22	38.76	23.77	23.78	8.4	6.4	1.9	1.9
1966	10.10	41.31	24.45	24.46	9.6	6.6	2.8	2.9
1967	10.68	42.34	25.21	25.21	5.7	2.5	3.1	3.1
1968	11.67	44.36	26.29	26.30	9.3	4.8	4.3	4.3
1969	12.61	45.71	27.59	27.59	8.1	3.0	4.9	4.9
1970	13.31	45.80	29.05	29.06	5.5	2	5.3	5.3
1971	14.44	47.33	30.52	30.52	8.6	3.3	5.0	5.0
1972	15.88	49.90	31.81	31.82	9.9	5.4	4.2	4.3
1973	17.73	52.78	33.60	33.60	11.7	5.8	5.6	5.6
1974	19.21	52.46	36.60	36.62	8.3	-6	9.0	9.0
1975	20.93	52.28	40.03	40.03	8.9	-4	9.4	9.3
1976	23.34	55.19	42.29	42.30	11.5	5.6	5.7	5.7
1977	26.00	57.75	45.02	45.02	11.4	4.6	6.4	6.4
1978	29.38	60.93	48.22	48.23	13.0	5.5	7.1	7.1
1979	32.85	62.87	52.24	52.25	11.8	3.2	8.3	8.3
1980	35.78	62.73	57.05	57.04	8.9	-2	9.2	9.2
1981	40.08	64.26	62.37	62.37	12.0	2.5	9.3	9.3
1982	41.71	62.96	66.26	66.25	4.1	-2.0	6.2	6.2
1983	45.24	65.69	68.87	68.88	8.5	4.3	3.9	4.0
1984	50.33	70.46	71.44	71.44	11.3	7.3	3.7	3.7
1985	53.92	73.17	73.69	73.69	7.1	3.8	3.2	3.2
1986	56.99	75.67	75.32	75.31	5.7	3.4	2.2	2.2
1987	60.70	78.24	77.58	77.58	6.5	3.4	3.0	3.0
1988	65.38	81.51	80.22	80.21	7.7	4.2	3.4	3.4
1989	70.25	84.37	83.27	83.27	7.5	3.5	3.8	3.8
1990	74.28	85.85	86.53	86.51	5.7	1.8	3.9	3.9
1991	76.62	85.45	89.66	89.66	3.2	-5	3.6	3.6
1992	80.88	88.06	91.85	91.84	5.6	3.0	2.4	2.4
1993	85.01	90.39	94.05	94.05	5.1	2.7	2.4	2.4
1994	90.29	94.04	96.01	96.01	6.2	4.0	2.1	2.1
1995	94.72	96.55	98.10	98.10	4.9	2.7	2.2	2.2
1996	100.00	100.00	100.00	100.00	5.6	3.6	1.9	1.9
1997	106.47	104.43	101.95	101.95	6.5	4.4	1.9	1.9
1998	112.50	108.99	103.23	103.22	5.7	4.4	1.3	1.3
1999	119.02	113.60	104.77	104.77	5.8	4.2	1.5	1.5
1995: I	93.40	95.85	97.45	97.45	4.5	1.5	3.0	3.0
II	93.98	96.03	97.86	97.86	2.5	.8	1.7	1.7
III	95.13	96.78	98.31	98.30	5.0	3.1	1.8	1.8
IV	96.37	97.55	98.79	98.78	5.3	3.2	2.0	2.0
1996: I	97.65	98.25	99.40	99.39	5.4	2.9	2.5	2.5
II	99.61	99.87	99.74	99.74	8.3	6.8	1.4	1.4
III	100.59	100.37	100.23	100.22	4.0	2.0	2.0	1.9
IV	102.15	101.51	100.63	100.63	6.4	4.6	1.6	1.7
1997: I	103.98	102.60	101.36	101.34	7.3	4.4	2.9	2.9
II	105.97	104.08	101.82	101.82	7.9	5.9	1.9	1.9
III	107.39	105.16	102.12	102.12	5.5	4.2	1.2	1.2
IV	108.52	105.88	102.49	102.49	4.2	2.8	1.4	1.4
1998: I	110.52	107.57	102.75	102.74	7.6	6.5	1.0	1.0
II	111.63	108.35	103.04	103.03	4.1	2.9	1.1	1.1
III	113.00	109.27	103.42	103.41	5.0	3.4	1.5	1.5
IV	114.87	110.77	103.69	103.70	6.8	5.6	1.1	1.1
1999: I	116.53	111.73	104.25	104.29	5.9	3.5	2.2	2.3
II	117.64	112.42	104.63	104.65	3.9	2.5	1.4	1.4
III	119.55	113.98	104.90	104.89	6.7	5.7	1.1	.9
IV	122.35	116.27	105.31	105.24	9.7	8.3	1.6	1.3
2000: I	124.82	117.65	106.17	106.10	8.3	4.8	3.3	3.3
II	127.29	119.27	106.80	106.73	8.2	5.6	2.4	2.4
III	128.49	119.92	107.22	107.15	3.8	2.2	1.6	1.6

¹ Percent changes based on unrounded data. Quarterly percent changes are at annual rates.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-4.—Percent changes in real gross domestic product, 1959–2000

[Percent change from preceding period; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment				Exports and imports of goods and services		Government consumption expenditures and gross investment		
		Total	Durable goods	Non-durable goods	Services	Nonresidential fixed			Residential	Exports	Imports	Total	Federal	State and local
						Total	Structures	Equipment and software						
1959	7.2	5.6	12.1	4.1	5.2	8.0	2.4	11.9	25.5	0.9	10.5	5.6	7.1	3.5
1960	2.5	2.7	2.0	1.5	4.4	5.7	7.9	4.2	-7.1	20.8	1.3	.0	-3.0	4.4
1961	2.3	2.0	-3.8	1.8	4.1	-6	1.3	-1.9	.3	1.7	-7	4.8	3.9	6.1
1962	6.0	4.9	11.7	3.1	4.9	8.7	4.5	11.5	9.6	5.4	11.3	6.0	8.3	3.0
1963	4.3	4.1	9.7	2.1	4.5	5.5	1.1	8.4	11.8	7.5	2.7	2.4	-3	6.1
1964	5.8	6.0	9.3	4.9	6.1	11.9	10.4	12.7	5.8	13.3	5.3	2.0	-1.7	6.8
1965	6.4	6.3	12.6	5.3	5.3	17.4	15.9	18.3	-2.9	2.0	10.6	3.1	.2	6.7
1966	6.6	5.7	8.5	5.5	5.1	12.5	6.8	15.9	-8.9	6.7	14.9	9.0	11.3	6.3
1967	2.5	3.0	1.6	1.6	4.9	-1.4	-2.5	-.7	-3.1	2.2	7.3	7.5	9.7	5.0
1968	4.8	5.7	11.0	4.6	5.2	4.4	1.4	6.2	13.6	7.3	14.9	3.2	.9	5.9
1969	3.0	3.7	3.6	2.7	4.7	7.6	5.4	8.8	3.0	5.4	5.7	-.4	-3.3	2.9
1970 .....	.2	2.3	-3.2	2.4	4.0	-.5	.3	-.1	-6.0	10.8	4.3	-2.3	-7.0	2.8
1971	3.3	3.8	10.0	1.8	3.8	-.1	-1.6	.9	27.4	.7	5.3	-1.9	-7.1	3.2
1972	5.4	6.0	12.7	4.4	5.5	9.1	3.1	12.8	17.8	8.1	11.2	.1	-2.2	2.2
1973	5.8	4.9	10.3	3.3	4.7	14.5	8.1	18.3	-.6	21.9	4.6	-.7	-4.9	2.9
1974	-.6	-.8	-6.9	-2.0	2.2	.8	-2.1	2.5	-20.6	9.5	-2.3	1.8	-.4	3.6
1975	-.4	2.2	.0	1.5	3.4	-9.9	-10.5	-9.6	-13.0	-.7	-11.1	1.9	.0	3.3
1976	5.6	5.8	12.8	4.9	4.7	4.9	2.5	6.2	23.5	5.9	19.6	.1	-1.2	1.0
1977	4.6	4.3	9.3	2.4	4.4	11.3	4.1	15.0	21.5	2.5	10.9	1.0	1.8	.4
1978	5.5	4.4	5.3	3.7	4.7	14.1	11.8	15.2	6.3	10.5	8.7	3.1	2.6	3.4
1979	3.2	2.5	-.3	2.7	3.2	10.0	12.6	8.7	-3.7	9.6	1.7	1.9	2.4	1.6
1980	-.2	-.3	-7.9	-.2	1.7	-.1	6.6	-3.6	-21.1	10.7	-6.6	2.0	4.8	-.1
1981	2.5	1.3	1.3	1.2	1.5	5.6	7.9	4.2	-8.0	1.1	2.6	.9	4.7	-2.0
1982	-2.0	1.2	.0	1.0	1.7	-3.7	-1.5	-5.2	-18.2	-7.1	-1.3	1.5	3.6	-.1
1983	4.3	5.5	14.9	3.3	4.9	-1.0	-10.4	5.4	41.1	-2.4	12.6	3.3	6.3	.9
1984	7.3	5.4	14.6	4.0	4.2	17.6	14.3	19.5	14.6	8.4	24.3	3.5	3.1	3.8
1985	3.8	5.0	9.9	2.7	5.2	6.7	7.3	6.4	1.4	2.7	6.5	6.5	7.6	5.4
1986	3.4	4.2	9.1	3.6	3.3	-2.7	-10.8	2.0	12.0	7.4	8.4	5.4	5.5	5.4
1987	3.4	3.3	1.7	2.4	4.3	-.1	-3.6	1.7	.2	11.2	6.1	3.0	3.7	2.3
1988	4.2	4.0	5.8	3.2	4.1	5.4	1.3	7.5	-.5	16.1	3.8	1.2	-1.8	3.7
1989	3.5	2.7	2.1	2.7	2.8	5.5	2.5	7.0	-4.1	11.8	3.9	2.8	1.3	3.9
1990	1.8	1.8	-.9	1.4	2.8	.7	1.5	.4	-8.6	8.7	3.8	3.3	2.0	4.2
1991	-.5	-.2	-6.6	-.4	1.4	-4.9	-11.0	-2.0	-12.8	6.5	-.5	1.2	-.3	2.3
1992	3.0	2.9	5.3	1.9	2.9	3.4	-.6	1.1	16.3	6.2	6.6	.5	-1.6	2.0
1993	2.7	3.4	8.2	2.9	2.7	8.4	.8	11.3	7.3	3.3	9.1	-.8	-3.9	1.4
1994	4.0	3.8	7.6	3.8	3.0	8.9	.8	11.9	9.7	8.9	12.0	.1	-3.6	2.6
1995	2.7	3.0	4.6	3.0	2.7	9.8	4.8	11.5	-3.6	10.3	8.2	.5	-2.7	2.5
1996	3.6	3.2	5.6	2.9	2.8	10.0	7.1	11.0	7.4	8.2	8.6	1.1	-.9	2.3
1997	4.4	3.6	6.6	2.9	3.3	12.2	9.1	13.3	2.0	12.3	13.7	2.4	-.4	4.0
1998	4.4	4.7	10.6	4.0	3.9	13.0	7.2	15.0	8.3	2.3	11.9	2.1	-.5	3.6
1999	4.2	5.3	12.4	5.6	3.7	10.1	-1.4	14.1	6.4	2.9	10.7	3.3	2.5	3.8
1995:I	1.5	1.4	-2.7	2.1	2.0	16.0	8.8	18.4	-7.7	7.2	8.8	.8	-1.4	2.2
1995:II .....	.8	3.9	5.0	2.9	4.2	2.5	5.8	1.5	-15.6	4.3	6.2	1.9	.1	3.0
1995:III	3.1	3.2	9.5	1.7	2.7	2.6	-.3	3.6	10.1	17.8	1.2	-.9	-2.8	.3
1995:IV	3.2	2.6	3.4	3.4	2.0	9.5	-.8	13.1	9.7	9.8	3.9	-4.8	-16.1	2.8
1996:I	2.9	3.3	4.1	2.4	3.6	13.1	10.8	14.0	8.8	2.3	10.8	3.3	9.6	-.3
1996:II	6.8	4.3	13.0	4.2	2.7	11.6	10.5	12.0	20.6	6.7	13.3	7.5	8.6	6.8
1996:III	2.0	1.9	-1.5	2.2	2.5	13.6	7.5	15.7	-1.0	3.3	14.4	-2.3	-7.7	1.0
1996:IV	4.6	2.9	5.0	4.0	1.9	10.0	23.0	5.9	-4.1	28.7	6.3	2.4	-1.4	4.8
1997:I	4.4	4.5	10.5	3.0	4.2	10.9	6.4	12.4	.9	7.5	15.3	1.1	-4.4	4.4
1997:II	5.9	1.9	-3.1	.7	3.5	14.0	-2.9	20.4	5.1	17.6	18.8	6.4	10.4	4.2
1997:III	4.2	6.6	23.1	6.0	3.9	19.1	16.3	20.0	2.1	10.6	17.3	2.2	-1.1	4.1
1997:IV	2.8	3.3	6.3	.6	4.2	3.9	7.0	2.9	5.8	-.8	6.4	.1	-3.7	2.3
1998:I	6.5	4.8	9.4	4.7	4.0	20.1	7.9	24.6	9.6	1.0	14.2	-1.0	-9.1	3.8
1998:II	2.9	5.8	13.9	5.8	4.3	15.6	14.1	16.1	12.6	-3.0	13.1	7.3	12.9	4.4
1998:III	3.4	4.3	4.1	4.3	4.3	3.5	-4.7	6.5	10.3	-3.2	5.5	1.4	-3.2	4.0
1998:IV	5.6	4.9	23.9	5.2	1.3	13.2	3.3	16.7	8.9	15.1	12.2	2.8	3.7	2.3
1999:I	3.5	5.7	8.6	7.8	4.1	9.5	-3.4	14.1	8.2	-7.9	4.5	3.7	-2.2	7.0
1999:II	2.5	5.6	15.0	3.8	4.6	9.6	-6.2	15.2	5.9	5.8	16.2	.8	2.0	.1
1999:III	5.7	5.0	8.0	4.9	4.5	11.8	-6.2	18.0	-3.1	10.2	16.9	4.8	6.9	3.7
1999:IV	8.3	5.9	13.0	7.4	3.8	9.5	9.7	9.5	.5	10.3	10.7	8.5	13.2	6.1
2000:I	4.8	7.6	23.6	6.0	5.2	21.0	22.3	20.6	3.2	6.3	12.0	-1.1	-14.2	6.6
2000:II	5.6	3.1	-5.0	3.6	4.6	14.6	4.4	17.9	1.3	14.3	18.6	4.8	17.2	-1.1
2000:III	2.2	4.5	7.6	4.7	3.7	7.7	14.6	5.6	-10.6	13.9	17.0	-1.4	-9.0	2.9

Note.—Percent changes based on unrounded data.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-5.—*Contributions to percent change in real gross domestic product, 1959–2000*
[Percentage points, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product (percent change)	Personal consumption expenditures				Gross private domestic investment						
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment					Change in private inventories
							Total	Nonresidential			Residential	
								Total	Structures	Equipment and software		
1959	7.2	3.55	0.97	1.25	1.33	2.82	1.94	0.73	0.09	0.64	1.21	0.88
1960	2.5	1.71	.17	.44	1.10	.00	.13	.52	.28	.24	-.39	-.13
1961	2.3	1.27	-.31	.53	1.05	-.10	-.05	-.06	.05	-.11	.01	-.05
1962	6.0	3.10	.89	.90	1.31	1.80	1.23	.77	.16	.61	.46	.57
1963	4.3	2.55	.77	.59	1.20	1.00	1.07	.50	.04	.46	.58	-.08
1964	5.8	3.71	.77	1.33	1.61	1.25	1.37	1.07	.36	.71	.30	-.12
1965	6.4	3.91	1.06	1.43	1.42	2.15	1.49	1.64	.57	1.07	-.15	.66
1966	6.6	3.52	.73	1.46	1.33	1.44	.86	1.29	.27	1.02	-.43	.58
1967	2.5	1.83	.13	.42	1.28	-.76	-.28	-.15	-.10	-.05	-.13	-.48
1968	4.8	3.48	.92	1.18	1.37	.89	.99	.46	.05	.40	.53	-.10
1969	3.0	2.26	.31	.69	1.26	.90	.90	.77	.20	.57	.13	.00
1970	.2	1.43	-.28	.61	1.09	-1.04	-.31	-.06	.01	-.07	-.26	-.72
1971	3.3	2.35	.81	.47	1.07	1.66	1.09	-.01	-.06	.06	1.10	.58
1972	5.4	3.74	1.07	1.11	1.56	1.86	1.80	.92	.12	.80	.89	.06
1973	5.8	3.05	.90	.82	1.33	1.96	1.46	1.50	.31	1.18	-.04	.50
1974	-.6	-.51	-.61	-.51	.60	-1.31	-1.04	.09	-.08	.17	-1.13	-.27
1975	-.4	1.33	.00	.37	.96	-2.98	-1.71	-1.14	-.43	-.71	-.57	-1.27
1976	5.6	3.67	1.04	1.25	1.38	2.84	1.42	.52	.09	.42	.91	1.42
1977	4.6	2.71	.80	.60	1.30	2.43	2.18	1.19	.15	1.04	.99	.25
1978	5.5	2.79	.47	.91	1.41	2.06	1.94	1.59	.44	1.15	.35	.12
1979	3.2	1.57	-.03	.65	.95	.60	1.01	1.22	.51	.71	-.21	-.41
1980	-.2	-.20	-.66	-.04	.49	-2.09	-1.18	-.01	.30	-.30	-1.17	-.91
1981	2.5	.85	.10	.29	.46	1.58	.38	.73	.39	.34	-.35	1.20
1982	-2.0	.76	.00	.23	.53	-2.54	-1.21	-.50	-.08	-.42	-.71	-1.34
1983	4.3	3.49	1.09	.80	1.61	1.48	1.19	-.13	-.54	.41	1.32	.29
1984	7.3	3.49	1.15	.93	1.41	4.62	2.67	2.04	.61	1.43	.63	1.95
1985	3.8	3.15	.81	.61	1.73	-.17	.89	.83	.33	.50	.06	-1.06
1986	3.4	2.71	.78	.78	1.14	-.11	.20	-.34	-.49	.16	.54	-.32
1987	3.4	2.17	.16	.52	1.49	.42	.00	-.01	-.14	.13	.01	.42
1988	4.2	2.65	.51	.68	1.46	.44	.58	.60	.05	.56	-.02	-.14
1989	3.5	1.76	.18	.58	1.00	.60	.42	.61	.09	.52	-.19	.17
1990	1.8	1.21	-.08	.30	.99	-.49	-.28	.08	.05	.03	-.36	-.21
1991	-.5	-.12	-.53	-.09	.50	-1.26	-1.00	-.53	-.38	-.15	-.47	-.26
1992	3.0	1.90	.39	.40	1.11	1.12	.86	.34	-.18	.52	.52	.26
1993	2.7	2.24	.61	.61	1.02	1.18	1.09	.83	.02	.80	.26	.10
1994	4.0	2.53	.59	.79	1.16	1.89	1.28	.91	.02	.89	.37	.61
1995	2.7	2.00	.37	.60	1.04	.47	.88	1.03	.13	.90	-.15	-.41
1996	3.6	2.14	.44	.60	1.10	1.37	1.39	1.10	.20	.91	.28	-.02
1997	4.4	2.39	.51	.58	1.29	1.91	1.47	1.39	.26	1.13	.08	.44
1998	4.4	3.12	.81	.79	1.53	2.06	1.87	1.54	.22	1.32	.33	.20
1999	4.2	3.52	.96	1.10	1.46	1.15	1.53	1.26	-.05	1.30	.27	-.37
1995:I	1.5	1.07	-.20	.46	.81	.51	1.31	1.63	.23	1.39	-.31	-.80
II	.8	2.60	.39	.60	1.60	-1.90	-.38	.27	.16	.11	-.65	-1.51
III	3.1	2.15	.74	.35	1.06	-.53	.66	.29	-.01	.30	.37	-1.19
IV	3.2	1.76	.27	.69	.80	1.81	1.38	1.02	-.02	1.04	.36	.42
1996:I	2.9	2.17	.32	.47	1.38	1.16	1.74	1.41	.28	1.13	.33	-.58
II	6.8	2.95	.99	.86	1.10	3.26	2.04	1.28	.29	.99	.76	1.22
III	2.0	1.25	-.12	.44	.94	2.50	1.43	1.47	.21	1.27	-.04	1.07
IV	4.6	1.94	.39	.79	.76	.15	.95	1.12	.61	.51	-.17	-.80
1997:I	4.4	3.01	.78	.60	1.62	2.06	1.24	1.20	.19	1.01	.04	.82
II	5.9	1.32	-.23	.16	1.40	3.69	1.76	1.56	-.09	1.65	.20	1.93
III	4.2	4.29	1.60	1.16	1.52	.38	2.20	2.12	.46	1.65	.09	-1.82
IV	2.8	2.20	.48	.12	1.61	1.42	.69	.47	.21	.26	.22	.73
1998:I	6.5	3.24	.71	.93	1.60	5.04	2.67	2.30	.25	2.05	.37	2.37
II	2.9	3.77	1.02	1.10	1.65	-.18	2.31	1.83	.43	1.40	.48	-2.50
III	3.4	2.83	.32	.84	1.67	1.40	.86	.44	-.16	.60	.41	.55
IV	5.6	3.29	1.72	1.02	.54	1.75	1.95	1.58	.11	1.47	.37	-.20
1999:I	3.5	3.73	.67	1.48	1.58	.60	1.49	1.15	-.11	1.26	.34	-.89
II	2.5	3.67	1.14	.75	1.78	.01	1.43	1.18	-.20	1.38	.25	-1.42
III	5.7	3.43	.64	.97	1.81	2.50	1.33	1.47	-.19	1.66	-.13	1.17
IV	8.3	4.08	1.04	1.47	1.58	3.04	1.26	1.22	.29	.94	.03	1.78
2000:I	4.8	5.03	1.79	1.19	2.04	.92	2.68	2.54	.63	1.91	.14	-1.76
II	5.6	2.14	-.42	.74	1.83	3.66	1.93	1.87	.14	1.73	.06	1.73
III	2.2	2.99	.61	.93	1.46	.33	.55	1.02	.44	.58	-.47	-.22

See next page for continuation of table.

TABLE B-5.—*Contributions to percent change in real gross domestic product, 1959–2000—Continued*
[Percentage points, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Net exports of goods and services							Government consumption expenditures and gross investment				
	Net exports	Exports			Imports			Total	Federal			State and local
		Total	Goods	Serv-ices	Total	Goods	Serv-ices		Total	National defense	Non-defense	
1959	−0.41	0.04	−0.02	0.06	−0.45	−0.48	0.03	1.27	0.95	0.29	0.65	0.33
1960 .....	.79	.85	.76	.09	−.06	.05	−.11	.00	−.39	−.21	−.18	.39
1961 .....	.11	.08	.02	.06	.03	.00	.02	1.04	.48	.43	.06	.56
1962	−.21	.25	.17	.08	−.47	−.40	−.07	1.35	1.06	.63	.43	.29
1963 .....	.24	.35	.29	.06	−.12	−.12	.00	.53	−.04	−.27	.23	.57
1964 .....	.41	.63	.51	.12	−.23	−.19	−.03	.44	−.22	−.44	.23	.66
1965	−.35	.10	.02	.08	−.45	−.41	−.04	.69	.02	−.17	.19	.66
1966	−.32	.33	.27	.06	−.65	−.49	−.16	1.93	1.29	1.25	.04	.64
1967	−.23	.11	.02	.09	−.34	−.17	−.16	1.67	1.16	1.19	−.03	.51
1968	−.35	.36	.30	.06	−.70	−.68	−.03	.75	.12	.18	−.07	.63
1969	−.02	.27	.20	.07	−.29	−.20	−.09	−.10	−.42	−.48	.06	.32
1970 .....	.32	.54	.44	.10	−.22	−.15	−.07	−.52	−.84	−.80	−.04	.32
1971	−.25	.04	−.02	.06	−.29	−.33	.04	−.43	−.81	−.90	.10	.38
1972	−.20	.43	.43	.00	−.63	−.57	−.06	.03	−.23	−.40	.17	.26
1973 .....	.92	1.21	1.01	.21	−.29	−.34	.05	−.16	−.50	−.49	−.01	.34
1974 .....	.85	.67	.46	.22	.18	.17	.00	.38	−.04	−.17	.13	.42
1975 .....	.89	−.06	−.16	.10	.94	.87	.07	.41	.00	−.08	.08	.41
1976	−.96	.49	.31	.17	−1.45	−1.35	−.10	.02	−.11	−.14	.03	.13
1977	−.71	.20	.08	.12	−.91	−.84	−.07	.21	.16	.05	.11	.05
1978 .....	.04	.81	.68	.14	−.78	−.67	−.11	.63	.23	.05	.18	.40
1979 .....	.63	.79	.77	.03	−.16	−.14	−.02	.38	.20	.16	.04	.18
1980	1.67	.96	.86	.10	.71	.67	.04	.39	.40	.24	.16	−.01
1981	−.16	.11	−.09	.20	−.27	−.18	−.09	.18	.41	.37	.04	−.23
1982	−.55	−.67	−.67	.00	.12	.20	−.08	.31	.33	.47	−.15	−.02
1983	−1.34	−.21	−.19	−.02	−1.13	−1.00	−.13	.70	.60	.47	.13	.10
1984	−1.57	.65	.46	.19	−2.22	−1.83	−.39	.72	.31	.35	−.04	.42
1985	−.44	.20	.19	.02	−.65	−.51	−.13	1.31	.73	.60	.13	.59
1986	−.31	.52	.26	.26	−.83	−.82	−.01	1.13	.54	.46	.07	.60
1987 .....	.18	.81	.56	.25	−.62	−.39	−.23	.63	.36	.35	.01	.27
1988 .....	.84	1.25	1.04	.21	−.41	−.36	−.05	.24	−.18	−.06	−.12	.42
1989 .....	.60	1.02	.80	.23	−.43	−.37	−.05	.56	.12	−.05	.17	.44
1990 .....	.39	.80	.55	.25	−.41	−.26	−.15	.65	.18	.00	.18	.48
1991 .....	.67	.62	.48	.14	.05	.00	.05	.24	−.03	−.07	.04	.26
1992	−.07	.61	.48	.13	−.68	−.76	.08	.10	−.14	−.31	.17	.24
1993	−.61	.33	.21	.12	−.94	−.85	−.09	−.16	−.33	−.32	−.01	.17
1994	−.41	.88	.67	.22	−1.29	−1.18	−.11	.02	−.29	−.26	−.02	.31
1995 .....	.11	1.06	.86	.20	−.95	−.87	−.08	.09	−.20	−.19	−.01	.28
1996	−.15	.89	.68	.22	−1.04	−.94	−.09	.21	−.06	−.06	.00	.27
1997	−.29	1.35	1.12	.23	−1.64	−1.43	−.21	.43	−.03	−.12	.09	.45
1998	−1.20	.26	.18	.08	−1.46	−1.21	−.24	.38	−.03	−.07	.04	.41
1999	−1.03	.32	.30	.02	−1.35	−1.32	−.04	.59	.16	.08	.08	.43
1995: I	−.27	.74	.66	.08	−1.01	−.68	−.33	.18	−.09	−.04	−.05	.27
II	−.29	.46	.37	.09	−.74	−.83	.09	.36	.01	.01	.01	.35
III	1.66	1.82	1.13	.69	−.16	−.11	−.05	−.15	−.20	−.19	−.01	.04
IV .....	.58	1.06	.84	.22	−.48	−.36	−.12	−.90	−1.22	−.67	−.55	.32
1996: I	−1.02	.26	.40	−.14	−1.28	−1.17	−.11	.59	.63	.32	.31	−.04
II	−.82	.75	.35	.40	−1.57	−1.49	−.08	1.36	.59	.36	.23	.77
III	−1.31	.36	.61	−.25	−1.66	−1.44	−.22	−.43	−.54	−.38	−.16	.11
IV	2.10	2.86	1.75	1.12	−.76	−.76	.00	.45	−.09	−.10	.02	.54
1997: I	−.92	.84	1.04	−.20	−1.76	−1.39	−.37	.21	−.29	−.58	.29	.50
II	−.27	1.90	1.59	.31	−2.17	−2.05	−.11	1.14	.66	.44	.22	.48
III	−.84	1.19	.99	.20	−2.03	−1.60	−.43	.40	−.07	.01	−.07	.46
IV	−.88	−.10	.02	−.11	−.79	−.62	−.17	.03	−.24	−.09	−.15	.27
1998: I	−1.61	.13	−.05	.17	−1.73	−1.35	−.39	−.15	−.60	−.79	.20	.44
II	−1.91	−.34	−.55	.21	−1.57	−1.43	−.14	1.24	.75	.49	.26	.49
III	−1.04	−.35	−.01	−.34	−.68	−.48	−.20	.25	−.20	.23	−.42	.45
IV .....	.05	1.54	1.21	.33	−1.49	−1.44	−.05	.50	.23	−.09	.32	.27
1999: I	−1.44	−.89	−.76	−.13	−.55	−.72	.17	.64	−.13	−.12	−.01	.78
II	−1.35	.60	.51	.08	−1.95	−1.89	−.05	.13	.12	−.09	.21	.01
III	−1.08	1.05	1.13	−.08	−2.13	−1.99	−.13	.84	.41	.46	−.05	.43
IV	−.37	1.09	.94	.15	−1.45	−1.28	−.17	1.50	.79	.48	.30	.71
2000: I	−.94	.67	.46	.21	−1.61	−1.28	−.33	−.18	−.93	−.86	−.07	.75
II	−1.00	1.48	1.37	.11	−2.48	−2.26	−.22	.85	.97	.60	.37	−.12
III	−.90	1.45	1.54	−.09	−2.35	−1.90	−.44	−.24	−.57	−.38	−.18	.33

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-6.—*Chain-type quantity indexes for gross domestic product, 1959–2000*
[Index numbers, 1996=100; quarterly data seasonally adjusted]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment					
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment				
							Total	Nonresidential			Residential
								Total	Structures	Equipment and software	
1959	29.68	28.08	16.49	38.35	24.90	21.96	22.20	15.94	43.65	9.74	47.26
1960	30.42	28.85	16.82	38.93	25.99	21.95	22.39	16.84	47.12	10.16	43.89
1961	31.13	29.43	16.19	39.64	27.04	21.81	22.32	16.74	47.76	9.96	44.02
1962	33.01	30.88	18.08	40.89	28.38	24.57	24.33	18.19	49.91	11.11	48.24
1963	34.43	32.15	19.84	41.75	29.67	26.21	26.21	19.20	50.46	12.04	53.92
1964	36.43	34.08	21.67	43.80	31.47	28.37	28.74	21.47	55.71	13.58	57.05
1965	38.46	36.23	24.42	46.12	33.15	32.35	31.66	25.20	64.59	16.06	55.39
1966	41.31	38.30	26.48	48.65	34.83	35.19	33.47	28.35	69.02	18.61	50.43
1967	42.34	39.45	26.90	49.42	36.54	33.57	32.84	27.95	67.26	18.48	48.84
1968	44.36	41.70	29.85	51.67	38.42	35.51	35.12	29.19	68.21	19.62	55.50
1969	45.71	43.24	30.92	53.05	40.24	37.58	37.30	31.39	71.89	21.34	57.14
1970	45.80	44.25	29.91	54.32	41.87	35.10	36.51	31.22	72.12	21.12	53.73
1971	47.33	45.92	32.91	55.30	43.46	39.09	39.26	31.21	70.94	21.31	68.46
1972	49.90	48.70	37.08	57.73	45.86	43.70	43.96	34.04	73.12	24.04	80.63
1973	52.78	51.09	40.91	59.62	48.02	48.81	47.97	38.99	79.08	28.44	80.11
1974	52.46	50.67	38.10	58.42	49.07	45.20	44.96	39.30	77.43	29.13	63.57
1975	52.28	51.76	38.09	59.28	50.73	37.20	40.13	35.41	69.32	26.35	55.32
1976	55.19	54.78	42.95	62.17	53.13	44.70	44.08	37.14	71.02	27.98	68.34
1977	57.75	57.13	46.95	63.67	55.48	51.45	50.41	41.32	73.97	32.18	83.02
1978	60.93	59.66	49.43	66.05	58.12	57.38	56.22	47.15	82.66	37.09	88.26
1979	62.87	61.16	49.26	67.81	59.99	59.18	59.37	51.88	93.08	40.33	85.03
1980	62.73	60.96	45.39	67.71	60.99	52.73	55.58	51.85	99.23	38.88	67.05
1981	64.26	61.79	45.98	68.51	61.90	57.59	56.79	54.77	107.09	40.52	61.68
1982	62.96	62.54	45.98	69.17	62.96	49.51	52.81	52.72	105.47	38.42	50.45
1983	65.69	65.95	52.81	71.47	66.06	54.22	56.76	52.19	94.53	40.50	71.19
1984	70.46	69.51	60.54	74.31	68.84	70.13	66.28	61.37	108.03	48.40	81.56
1985	73.17	72.95	66.52	76.33	72.44	69.48	69.77	65.49	115.92	51.48	82.67
1986	75.67	76.01	72.58	79.07	74.86	69.02	70.60	63.73	103.43	52.51	92.58
1987	78.24	78.54	73.84	80.97	78.09	70.76	70.58	63.65	99.69	53.37	92.79
1988	81.51	81.71	78.11	83.55	81.30	72.65	73.15	67.11	100.95	57.37	92.32
1989	84.37	83.89	79.75	85.83	83.56	75.36	75.14	70.83	103.42	61.39	88.53
1990	85.85	85.43	79.01	87.01	85.86	73.01	73.77	71.35	104.95	61.63	80.92
1991	85.45	85.28	73.79	86.65	87.03	66.75	68.65	67.83	93.38	60.38	70.57
1992	88.06	87.72	77.70	88.29	89.59	72.41	73.10	70.11	87.70	64.86	82.09
1993	90.39	90.67	84.08	90.87	91.98	78.69	79.03	76.00	88.39	72.22	88.09
1994	94.04	94.09	90.46	94.35	94.72	89.08	86.25	82.78	89.14	80.79	96.64
1995	96.55	96.91	94.66	97.14	97.26	91.79	91.46	90.89	93.39	90.08	93.13
1996	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1997	104.43	103.56	106.63	102.91	103.28	112.12	109.56	112.22	109.07	113.30	102.04
1998	108.99	108.42	117.97	107.04	107.30	126.08	122.48	126.78	116.88	130.33	110.47
1999	113.60	114.15	132.65	113.05	111.29	134.36	133.70	139.56	115.22	148.74	117.56
1995: I	95.85	95.69	92.53	96.20	96.07	93.54	90.86	89.66	92.49	88.74	94.42
II	96.03	96.60	93.66	96.90	97.06	90.82	90.29	90.22	93.79	89.06	90.50
III	96.78	97.36	95.81	97.31	97.71	90.05	91.29	90.80	93.72	89.86	92.71
IV	97.55	97.99	96.62	98.13	98.20	92.74	93.40	92.89	93.53	92.67	94.89
1996: I	98.25	98.79	97.61	98.72	99.08	94.33	96.08	95.80	95.95	95.75	96.91
II	99.87	99.85	100.64	99.73	99.74	99.25	99.26	98.46	98.38	98.49	101.56
III	100.37	100.32	100.26	100.29	100.35	103.12	101.56	101.65	100.18	102.15	101.30
IV	101.51	101.04	101.50	101.26	100.83	103.30	103.10	104.09	105.49	103.61	100.24
1997: I	102.60	102.16	104.06	102.00	101.86	106.66	105.17	106.82	107.15	106.69	100.47
II	104.08	102.64	103.25	102.17	102.75	112.71	108.11	110.37	106.35	111.75	101.73
III	105.16	104.29	108.77	103.67	103.73	113.35	111.88	115.29	110.45	116.97	102.26
IV	105.88	105.15	110.45	103.81	104.79	115.76	113.08	116.41	112.32	117.79	103.71
1998: I	107.57	106.39	112.96	105.00	105.83	124.34	117.70	121.85	114.47	124.46	106.12
II	108.35	107.91	116.69	106.50	106.93	123.99	121.84	126.35	118.30	129.19	109.30
III	109.27	109.04	117.88	107.63	108.05	126.45	123.39	127.45	116.89	131.25	112.02
IV	110.77	110.35	124.36	109.02	108.40	129.55	126.97	131.45	117.85	136.41	114.45
1999: I	111.73	111.89	126.96	111.08	109.48	130.62	129.80	134.47	116.85	140.98	116.73
II	112.42	113.42	131.47	112.13	110.71	130.61	132.53	137.59	115.01	146.05	118.41
III	113.98	114.82	134.01	113.47	111.95	135.25	135.05	141.47	113.18	152.21	117.48
IV	116.27	116.49	138.17	115.50	113.00	140.95	137.43	144.73	115.83	155.70	117.63
2000: I	117.65	118.63	145.70	117.20	114.45	142.72	142.73	151.79	121.80	163.16	118.56
II	119.27	119.54	143.83	118.24	115.75	149.92	146.59	157.04	123.12	170.00	118.93
III	119.92	120.86	146.50	119.60	116.82	150.57	147.71	159.97	127.40	172.34	115.64

See next page for continuation of table.

TABLE B-6.—*Chain-type quantity indexes for gross domestic product, 1959–2000—Continued*
[Index numbers, 1996=100; quarterly data seasonally adjusted]

Year or quarter	Exports of goods and services			Imports of goods and services			Government consumption expenditures and gross investment				
	Total	Goods	Services	Total	Goods	Services	Total	Federal			State and local
								Total	National defense	Non-defense	
1959	8.28	8.41	7.35	11.07	8.82	22.61	46.52	70.91	88.19	37.04	31.42
1960	10.00	10.38	8.13	11.21	8.67	24.38	46.51	68.81	86.49	34.05	32.79
1961	10.17	10.43	8.67	11.14	8.66	23.96	48.75	71.46	90.02	34.98	34.81
1962	10.72	10.89	9.46	12.40	9.94	25.08	51.69	77.38	95.29	42.21	35.87
1963	11.52	11.75	10.06	12.74	10.34	25.06	52.91	77.16	92.88	46.30	38.04
1964	13.06	13.36	11.26	13.41	11.03	25.71	53.95	75.85	88.86	50.33	40.61
1965	13.33	13.43	12.15	14.84	12.59	26.47	55.64	76.00	87.28	53.82	43.34
1966	14.22	14.36	12.85	17.05	14.57	29.83	60.63	84.59	99.90	54.54	46.08
1967	14.53	14.43	13.97	18.29	15.34	33.47	65.20	92.84	112.64	53.98	48.37
1968	15.59	15.57	14.69	21.02	18.51	34.08	67.27	93.69	114.65	52.60	51.22
1969	16.44	16.39	15.59	22.21	19.52	36.22	66.99	90.57	109.24	53.92	52.71
1970	18.22	18.26	16.97	23.16	20.29	38.11	65.48	84.21	100.03	53.09	54.21
1971	18.35	18.18	17.77	24.40	21.99	37.03	64.26	78.24	89.85	55.19	55.96
1972	19.84	20.14	17.70	27.13	24.98	38.54	64.34	76.53	85.39	58.89	57.18
1973	24.19	24.77	20.85	28.39	26.74	37.24	63.87	72.77	79.86	58.70	58.84
1974	26.49	26.73	24.29	27.75	26.00	37.20	65.04	72.47	77.91	61.78	60.96
1975	26.32	26.11	25.91	24.66	22.72	35.59	66.28	72.47	76.96	63.71	62.99
1976	27.87	27.35	28.65	29.49	27.86	38.04	66.34	71.63	75.35	64.45	63.62
1977	28.57	27.71	30.67	32.70	31.25	39.94	67.00	72.89	75.92	67.14	63.90
1978	31.56	30.81	33.10	35.54	34.05	42.78	69.07	74.82	76.51	71.83	66.08
1979	34.59	34.45	33.64	36.13	34.64	43.37	70.40	76.63	78.69	72.89	67.12
1980	38.30	38.55	35.59	33.73	32.06	42.40	71.80	80.31	81.99	77.39	67.08
1981	38.74	38.14	39.32	34.61	32.72	44.85	72.44	84.08	86.98	78.60	65.75
1982	35.99	34.70	39.29	34.18	31.90	47.24	73.56	87.13	93.46	74.35	65.66
1983	35.11	33.70	38.86	38.49	36.24	51.06	76.02	92.61	99.79	78.03	66.24
1984	38.05	36.36	42.62	47.86	45.00	63.86	78.65	95.50	104.57	76.81	68.73
1985	39.08	37.58	43.01	50.95	47.80	68.71	83.72	102.79	113.32	80.97	72.44
1986	41.96	39.51	48.73	55.23	52.70	68.94	88.28	108.45	120.44	83.47	76.34
1987	46.67	43.89	54.38	58.58	55.15	77.64	90.89	112.45	126.10	83.93	78.13
1988	54.17	52.16	59.45	60.81	57.38	79.75	91.95	110.41	125.15	79.57	81.02
1989	60.56	58.74	65.18	63.21	59.80	81.98	94.48	111.88	124.18	86.22	84.18
1990	65.85	63.58	71.73	65.64	61.60	88.23	97.56	114.16	124.15	93.38	87.73
1991	70.15	68.09	75.40	65.31	61.56	86.18	98.69	113.80	122.80	95.10	89.73
1992	74.47	72.73	78.86	69.64	67.26	82.69	99.16	111.95	116.83	101.89	91.56
1993	76.95	74.93	82.07	75.98	74.03	86.60	98.37	107.60	110.57	101.55	92.88
1994	83.83	82.18	88.01	85.08	83.86	91.65	98.46	103.71	105.28	100.52	95.34
1995	92.45	91.97	93.65	92.05	91.43	95.40	98.91	100.92	101.37	100.02	97.71
1996	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
1997	112.27	114.51	106.98	113.67	114.20	110.94	102.35	99.62	97.40	104.15	103.98
1998	114.80	117.01	109.58	127.15	127.67	124.42	104.53	99.12	95.70	106.06	107.74
1999	118.17	121.63	110.14	140.72	143.64	126.54	108.03	101.61	97.62	109.72	111.82
1995: I	89.29	88.91	90.24	90.65	89.75	95.55	98.97	102.35	102.76	101.52	96.96
II	90.25	89.98	90.90	92.04	91.58	94.45	99.44	102.39	102.80	101.56	97.68
III	94.02	93.26	95.92	92.32	91.80	95.05	99.22	101.66	101.77	101.44	97.76
IV	96.25	95.73	97.56	93.21	92.59	96.53	98.00	97.28	98.14	95.56	98.43
1996: I	96.80	96.89	96.57	95.64	95.22	97.86	98.79	99.53	99.82	98.94	98.35
II	98.39	97.92	99.55	98.68	98.65	98.85	100.59	101.61	101.68	101.49	99.99
III	99.18	99.81	97.67	102.05	102.13	101.64	100.00	99.60	99.55	99.70	100.24
IV	105.64	105.39	106.21	103.63	104.00	101.65	100.61	99.26	98.95	99.87	101.42
1997: I	107.57	108.80	104.64	107.39	107.58	106.39	100.89	98.15	95.70	103.15	102.52
II	112.02	114.13	107.02	112.11	112.95	107.86	102.47	100.60	98.12	105.66	103.57
III	114.87	117.53	108.59	116.68	117.27	113.61	103.02	100.34	98.15	104.78	104.61
IV	114.63	117.58	107.67	118.49	119.00	115.89	103.05	99.39	97.61	103.01	105.22
1998: I	114.91	117.39	109.04	122.50	122.72	121.30	102.79	97.04	92.99	105.28	106.20
II	114.03	115.38	110.74	126.32	126.90	123.29	104.62	100.04	95.90	108.43	107.34
III	113.11	115.33	107.86	128.01	128.34	126.21	104.99	99.24	97.25	103.30	108.39
IV	117.15	119.92	110.67	131.76	132.73	126.89	105.72	100.15	96.66	107.23	109.02
1999: I	114.77	116.93	109.61	133.22	135.01	124.36	106.69	99.60	95.90	107.12	110.88
II	116.41	118.97	110.36	138.32	141.02	125.13	106.89	100.09	95.33	109.74	110.91
III	119.27	123.45	109.67	143.82	147.28	127.05	108.14	101.77	98.14	109.14	111.91
IV	122.22	127.18	110.92	147.53	151.23	129.59	110.38	104.98	101.09	112.88	113.57
2000: I	124.10	129.06	112.79	151.76	155.29	134.66	110.07	101.04	95.65	111.95	115.40
II	128.33	134.79	113.78	158.36	162.54	138.07	111.37	105.13	99.46	116.62	115.07
III	132.56	141.37	112.98	164.72	168.74	145.20	110.99	102.67	96.97	114.24	115.89

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-7.—Chain-type price indexes for gross domestic product, 1959–2000

[Index numbers, 1996=100, except as noted; quarterly data seasonally adjusted]

Year or quarter	Gross domestic product	Personal consumption expenditures				Gross private domestic investment						
		Total	Durable goods	Non-durable goods	Services	Total	Fixed investment				Residential	
							Total	Nonresidential				
								Total	Structures	Equipment and software		
1959	21.88	21.63	41.97	24.60	16.74	28.78	27.72	32.44	18.48	43.15	18.99	
1960	22.19	22.00	41.77	24.95	17.19	28.92	27.87	32.59	18.46	43.51	19.12	
1961	22.43	22.23	41.86	25.10	17.51	28.84	27.78	32.41	18.35	43.28	19.15	
1962	22.74	22.49	42.05	25.30	17.82	28.87	27.81	32.42	18.50	43.08	19.18	
1963	22.99	22.75	42.20	25.59	18.07	28.78	27.73	32.43	18.67	42.86	19.02	
1964	23.34	23.07	42.40	25.92	18.40	28.95	27.90	32.60	18.94	42.84	19.18	
1965	23.77	23.41	42.03	26.39	18.76	29.42	28.39	32.99	19.49	42.91	19.72	
1966	24.45	24.02	41.83	27.26	19.29	30.03	28.99	33.49	20.19	43.05	20.44	
1967	25.21	24.62	42.48	27.91	19.86	30.83	29.81	34.36	20.82	44.03	21.15	
1968	26.29	25.58	43.89	28.98	20.69	31.99	31.02	35.58	21.87	45.24	22.27	
1969	27.59	26.74	45.10	30.32	21.73	33.51	32.56	37.07	23.31	46.52	23.81	
1970	29.05	28.00	46.09	31.82	22.89	34.93	33.96	38.82	24.83	48.25	24.58	
1971	30.52	29.20	47.77	32.80	24.17	36.69	35.69	40.67	26.74	49.73	26.00	
1972	31.81	30.22	48.28	33.90	25.22	38.24	37.23	42.08	28.68	50.37	27.58	
1973	33.60	31.86	48.98	36.56	26.37	40.31	39.30	43.71	30.91	51.25	30.03	
1974	36.60	35.14	52.08	41.82	28.46	44.33	43.18	47.95	35.15	55.08	33.12	
1975	40.03	38.01	56.84	45.09	30.80	49.80	48.59	54.55	39.34	63.24	36.20	
1976	42.29	40.08	59.99	46.83	32.90	52.57	51.42	57.59	41.25	67.02	38.53	
1977	45.02	42.73	62.61	49.61	35.49	56.51	55.46	61.54	44.81	71.02	42.41	
1978	48.22	45.78	66.20	52.93	38.31	61.15	60.17	65.69	49.15	74.84	47.61	
1979	52.24	49.83	70.60	58.50	41.43	66.71	65.65	71.07	54.87	79.67	52.95	
1980	57.05	55.21	76.54	65.31	45.88	73.01	71.83	77.39	59.97	86.58	58.68	
1981	62.37	60.08	81.62	70.37	50.58	79.77	78.55	84.93	68.31	92.86	63.47	
1982	66.26	63.48	84.76	72.34	54.81	83.91	82.91	89.69	73.76	96.60	66.87	
1983	68.87	66.19	86.38	73.89	58.33	83.73	82.81	88.93	71.82	96.91	68.40	
1984	71.44	68.63	87.58	75.64	61.35	84.40	83.37	88.83	72.42	96.29	70.37	
1985	73.69	70.99	88.59	77.30	64.36	85.30	84.45	89.57	74.11	96.28	72.18	
1986	75.32	72.72	89.69	77.01	67.31	87.19	86.51	91.17	75.54	97.92	75.21	
1987	77.58	75.49	92.21	79.66	70.20	88.86	88.12	92.01	76.72	98.53	78.29	
1988	80.22	78.44	93.49	82.34	73.61	90.96	90.48	94.17	79.98	99.95	80.99	
1989	83.27	81.86	95.14	86.26	77.12	93.22	92.76	96.29	83.10	101.45	83.59	
1990	86.53	85.63	96.00	90.98	80.95	95.08	94.70	98.23	85.77	102.93	85.54	
1991	89.66	88.91	97.39	93.76	84.82	96.46	96.14	99.80	87.32	104.48	86.64	
1992	91.85	91.62	98.28	95.20	88.50	96.32	96.07	99.29	87.29	103.75	87.69	
1993	94.05	93.81	99.06	96.15	91.57	97.70	97.46	99.81	90.22	103.24	91.24	
1994	96.01	95.70	100.56	96.83	94.16	99.11	98.92	100.54	93.50	102.98	94.48	
1995	98.10	97.90	101.06	97.93	97.25	100.29	100.14	100.93	97.39	102.12	97.91	
1996	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
1997	101.95	101.94	97.75	101.34	103.12	99.80	99.93	99.02	104.23	97.32	102.68	
1998	103.23	103.03	95.42	101.35	105.50	98.93	99.17	97.13	107.71	93.78	105.59	
1999	104.77	104.85	93.09	103.71	107.99	98.84	99.10	95.84	110.19	91.46	109.64	
1995:I	97.45	97.15	101.36	97.46	96.16	100.04	99.84	100.75	96.35	102.25	97.23	
1995:II	97.86	97.71	101.22	97.83	96.95	100.40	100.20	101.09	97.06	102.45	97.69	
1995:III	98.31	98.16	100.94	98.10	97.63	100.42	100.27	101.04	97.79	102.14	98.09	
1995:IV	98.79	98.57	100.72	98.31	98.27	100.31	100.25	100.82	98.38	101.64	98.62	
1996:I	99.40	99.16	100.78	99.09	98.87	100.03	100.04	100.40	98.87	100.91	99.00	
1996:II	99.74	99.79	100.13	99.98	99.62	99.84	99.84	99.97	99.42	100.16	99.44	
1996:III	100.23	100.18	99.77	100.02	100.35	100.11	100.08	99.92	100.44	99.74	100.53	
1996:IV	100.63	100.87	99.32	100.92	101.17	100.02	100.05	99.71	101.28	99.19	101.03	
1997:I	101.36	101.49	98.99	101.33	102.08	99.94	100.00	99.44	102.47	98.44	101.66	
1997:II	101.82	101.77	98.08	101.18	102.83	99.78	99.91	99.14	103.56	97.69	102.22	
1997:III	102.12	102.09	97.27	101.31	103.48	99.77	99.93	98.93	104.89	97.00	102.96	
1997:IV	102.49	102.43	96.65	101.53	104.09	99.71	99.86	98.55	106.02	96.14	103.89	
1998:I	102.75	102.52	96.26	101.19	104.51	99.23	99.46	97.90	106.84	95.04	104.31	
1998:II	103.04	102.83	95.79	101.10	105.20	98.93	99.17	97.29	107.58	94.03	105.06	
1998:III	103.42	103.20	95.28	101.41	105.80	98.81	99.06	96.86	107.95	93.36	106.01	
1998:IV	103.69	103.58	94.34	101.71	106.51	98.74	98.98	96.46	108.47	92.69	106.98	
1999:I	104.25	104.02	93.76	102.18	107.18	98.94	99.14	96.34	109.25	92.32	108.11	
1999:II	104.63	104.60	93.30	103.43	107.66	98.90	99.14	95.99	109.65	91.77	109.28	
1999:III	104.90	105.10	92.86	104.15	108.26	98.76	99.06	95.62	110.44	91.11	110.21	
1999:IV	105.31	105.67	92.44	105.09	108.88	98.76	99.07	95.42	111.42	90.62	110.94	
2000:I	106.17	106.58	91.98	106.48	109.88	99.32	99.71	95.84	112.72	90.82	112.36	
2000:II	106.80	107.13	91.83	107.35	110.43	99.76	100.17	96.23	113.75	91.05	113.08	
2000:III	107.22	107.61	91.30	107.93	111.12	100.22	100.66	96.64	115.15	91.22	113.83	

See next page for continuation of table.

TABLE B-7.—Chain-type price indexes for gross domestic product, 1959–2000—Continued

[Index numbers, 1996=100, except as noted; quarterly data seasonally adjusted]

Year or quarter	Exports and imports of goods and services		Government consumption expenditures and gross investment					Final sales of domestic product	Gross domestic purchases ¹		Gross national product	Percent change ²											
			Total	Federal			State and local		Total	Less food and energy		Gross domestic product	Gross domestic purchases ¹										
	Exports	Imports		Total	National defense	Non-defense							Total	Less food and energy									
1959	28.53	20.95	16.99	17.85	17.76	17.64	16.11	21.72	21.41	.....	21.87	1.1	1.1	.....								
1960	28.88	21.15	17.19	17.98	17.86	17.90	16.41	22.03	21.71	.....	22.18	1.4	1.4	.....								
1961	29.29	21.15	17.51	18.25	18.07	18.48	16.79	22.28	21.94	.....	22.43	1.1	1.1	.....								
1962	29.27	20.90	17.97	18.66	18.44	19.05	17.32	22.59	22.23	.....	22.73	1.4	1.3	.....								
1963	29.22	21.30	18.39	19.12	18.90	19.51	17.70	22.84	22.50	.....	22.99	1.1	1.2	.....								
1964	29.42	21.75	18.90	19.75	19.45	20.45	18.06	23.19	22.85	.....	23.33	1.5	1.6	.....								
1965	30.38	22.06	19.41	20.28	20.01	20.85	18.56	23.62	23.26	.....	23.77	1.9	1.8	.....								
1966	31.32	22.57	20.20	20.96	20.66	21.62	19.48	24.30	23.91	.....	24.45	2.8	2.8	.....								
1967	32.56	22.66	21.05	21.60	21.31	22.22	20.56	25.06	24.61	.....	25.20	3.1	2.9	.....								
1968	33.23	23.00	22.23	22.85	22.50	23.67	21.66	26.15	25.66	.....	26.29	4.3	4.3	.....								
1969	34.29	23.60	23.56	24.08	23.72	24.88	23.11	27.45	26.92	.....	27.58	4.9	4.9	.....								
1970	35.77	25.00	25.44	25.95	25.43	27.36	25.01	28.91	28.37	.....	29.05	5.3	5.4	.....								
1971	36.98	26.53	27.44	28.20	27.69	29.56	26.79	30.37	29.84	.....	30.52	5.0	5.2	.....								
1972	38.17	28.40	29.49	30.81	30.61	31.17	28.38	31.67	31.17	.....	31.81	4.2	4.5	.....								
1973	43.40	33.34	31.67	32.98	32.91	32.94	30.56	33.45	32.99	.....	33.60	5.6	5.8	.....								
1974	53.68	47.70	34.83	35.80	35.82	35.50	33.94	36.43	36.35	.....	36.60	9.0	10.2	.....								
1975	59.24	51.67	38.28	39.41	39.24	39.57	37.26	39.85	39.69	.....	40.03	9.4	9.2	.....								
1976	61.11	53.22	40.72	42.07	42.02	41.88	39.53	42.12	41.93	.....	42.30	5.7	5.7	.....								
1977	63.58	57.92	43.55	45.33	45.15	45.44	42.05	44.85	44.80	.....	45.03	6.4	6.8	.....								
1978	67.48	62.01	46.37	48.20	48.29	47.68	44.83	48.06	48.02	.....	48.24	7.1	7.2	.....								
1979	75.63	72.62	50.28	51.93	52.19	51.01	48.84	52.07	52.26	.....	52.25	8.3	8.8	.....								
1980	83.32	90.45	55.80	57.45	57.93	56.01	54.32	56.86	57.79	.....	57.06	9.2	10.6	.....								
1981	89.41	95.32	61.30	63.06	63.71	61.22	59.71	62.16	63.05	.....	62.38	9.3	9.1	.....								
1982	89.83	92.10	65.43	67.53	68.44	65.05	63.57	66.08	66.71	65.18	66.27	6.2	5.8	.....								
1983	90.24	88.65	68.08	69.95	70.86	67.48	66.39	68.69	69.05	67.76	68.89	3.9	3.5	4.0									
1984	91.13	87.89	71.61	74.14	75.95	69.25	69.36	71.25	71.46	70.26	71.45	3.7	3.5	3.7									
1985	88.70	85.02	73.78	75.67	77.24	71.45	72.07	73.55	73.56	72.56	73.70	3.2	2.9	3.3									
1986	87.33	85.01	75.08	76.10	77.27	73.06	74.10	75.20	75.22	74.89	75.33	2.2	2.3	3.2									
1987	89.62	90.02	77.21	77.03	78.01	74.58	77.26	77.44	77.70	77.46	77.58	3.0	3.3	3.4									
1988	94.39	94.46	79.30	78.82	79.65	76.84	79.60	80.12	80.36	80.29	80.22	3.4	3.4	3.7									
1989	96.15	96.87	81.89	81.12	81.91	79.26	82.41	83.18	83.45	83.20	83.28	3.8	3.8	3.6									
1990	96.79	99.43	85.16	83.78	84.57	81.96	86.16	86.46	86.85	86.33	86.54	3.9	4.1	3.8									
1991	98.10	98.93	88.04	87.18	87.70	86.06	88.64	89.60	89.81	89.43	89.67	3.6	3.4	3.6									
1992	97.82	99.09	90.11	89.83	90.75	87.72	90.28	91.79	92.03	91.90	91.84	2.4	2.5	2.8									
1993	97.82	98.18	92.44	92.18	92.45	91.58	92.59	94.00	94.14	94.16	94.06	2.1	2.3	2.5									
1994	98.94	99.12	94.84	94.51	94.48	94.55	95.04	95.97	96.06	96.22	96.02	2.4	2.0	2.2									
1995	101.29	101.83	97.56	97.21	96.88	97.90	97.77	98.07	98.20	98.44	98.11	2.2	2.2	2.3									
1996	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	1.9	1.8	1.6									
1997	98.47	96.44	102.23	101.63	101.41	102.06	102.58	101.98	101.64	101.64	101.93	1.9	1.6	1.6									
1998	96.26	91.26	103.67	102.60	102.20	103.38	104.28	103.30	102.45	102.77	103.19	1.3	1.1	1.1									
1999	95.86	91.80	106.41	105.27	104.75	106.27	107.06	104.86	104.08	104.26	104.74	1.5	1.6	1.4									
1995:I	100.92	101.05	96.67	96.18	95.98	96.57	96.98	97.41	97.51	97.71	97.46	3.0	2.7	2.9									
1995:II	101.73	102.84	97.23	96.52	96.41	96.74	97.66	97.82	98.04	98.23	97.87	1.7	2.2	2.2									
1995:III	101.48	102.15	97.69	97.11	97.07	97.21	98.04	98.28	98.42	98.67	98.31	1.8	1.6	1.8									
1995:IV	101.01	101.28	98.63	99.04	98.06	101.06	98.39	98.78	98.85	99.15	98.80	2.0	1.8	1.9									
1996:I	100.83	100.87	99.84	100.27	99.93	100.97	99.58	99.40	99.42	99.60	99.40	2.5	2.3	1.9									
1996:II	100.51	100.42	99.48	99.45	99.52	99.31	99.50	99.74	99.74	99.72	99.75	1.4	1.3	1.5									
1996:III	99.81	99.28	100.10	99.93	100.06	99.66	100.20	100.22	100.16	100.13	100.23	2.0	1.7	1.7									
1996:IV	98.85	99.43	100.58	100.35	100.49	100.06	100.72	100.64	100.68	100.55	100.63	1.6	2.1	1.7									
1997:I	98.66	98.28	101.72	101.42	101.38	101.51	101.90	101.37	101.28	101.13	101.34	2.9	2.4	2.3									
1997:II	98.72	96.43	102.01	101.60	101.33	102.14	102.25	101.86	101.49	101.56	101.80	1.9	1.8	1.7									
1997:III	98.46	95.82	102.26	101.49	101.23	102.00	102.71	102.16	101.74	101.78	102.10	1.2	1.0	1.2									
1997:IV	98.04	95.21	102.93	102.00	101.71	102.58	103.47	102.53	102.07	102.09	102.46	1.4	1.3	1.2									
1998:I	97.06	92.57	103.15	102.36	102.02	103.02	103.61	102.82	102.08	102.30	102.72	1.0	1.1	1.8									
1998:II	96.59	91.59	103.43	102.47	102.01	103.35	103.98	103.11	102.28	102.58	103.00	1.1	1.1	1.4									
1998:III	95.85	90.45	103.85	102.63	102.24	103.37	104.55	103.49	102.57	102.93	103.38	1.5	1.1	1.4									
1998:IV	95.53	90.41	104.26	102.94	102.51	103.76	105.00	103.77	102.87	103.27	103.66	1.1	1.2	1.3									
1999:I	95.42	89.92	105.18	104.68	104.14	105.70	105.49	104.33	103.35	103.78	104.22	2.2	1.9	2.0									
1999:II	95.62	91.13	106.00	104.95	104.42	105.97	106.61	104.71	103.86	104.09	104.59	1.4	2.0	1.2									
1999:III	95.88	92.47	106.82	105.45	104.92	106.45	107.60	105.00	104.30	104.38	104.87	1.1	1.7	1.1									
1999:IV	96.51	93.68	107.62	106.02	105.54	106.95	108.52	105.41	104.80	104.78	105.27	1.6	1.9	1.5									
2000:I	96.98	94.97	109.30	108.01	107.35	109.26	110.03	106.29	105.78	105.49	106.14	3.3	3.8	2.8									
2000:II	97.43	95.03	110.02	108.18	107.57	109.35	111.05	106.92	106.33	105.95	106.77	2.4	2.1	1.7									
2000:III	97.60	95.91	110.82	108.88	108.34	109.92	111.90	107.35	106.86	106.33	107.20	1.6	2.0	1.5									

¹ Gross domestic product (GDP) less exports of goods and services plus imports of goods and services.² Percent changes based on unrounded data. Quarterly percent changes are at annual rates.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-8.—*Gross domestic product by major type of product, 1959–2000*
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Final sales of domestic product	Change in private inventories	Goods								Services	Structures		
				Total			Durable goods		Nondurable goods						
				Total	Final sales	Change in private inventories	Final sales	Change in private inventories	Final sales	Change in private inventories					
1959	507.4	503.5	3.9	251.7	247.8	3.9	92.4	2.9	155.5	1.1	193.2	62.5			
1960	527.4	524.1	3.2	258.0	254.7	3.2	95.2	1.7	159.5	1.6	207.5	61.9			
1961	545.7	542.7	3.0	260.7	257.7	3.0	94.5	–1	163.2	3.0	221.4	63.6			
1962	586.5	580.4	6.1	281.5	275.4	6.1	104.7	3.4	170.7	2.7	237.2	67.8			
1963	618.7	613.1	5.6	293.2	287.6	5.6	111.5	2.6	176.1	3.0	252.8	72.7			
1964	664.4	659.6	4.8	313.6	308.8	4.8	121.2	3.8	187.6	1.0	272.3	78.4			
1965	720.1	710.9	9.2	343.3	334.1	9.2	134.2	6.2	199.9	3.0	292.1	84.7			
1966	789.3	775.7	13.6	381.7	368.0	13.6	150.2	10.0	217.8	3.6	319.6	88.0			
1967	834.1	824.2	9.9	395.3	385.5	9.9	155.3	4.8	230.2	5.0	349.1	89.6			
1968	911.5	902.4	9.1	428.3	419.2	9.1	169.5	4.5	249.8	4.5	383.2	100.0			
1969	985.3	976.2	9.2	457.7	448.5	9.2	180.9	6.0	267.6	3.2	419.3	108.3			
1970	1,039.7	1,037.7	2.0	470.3	468.3	2.0	183.2	–2	285.1	2.2	459.6	109.7			
1971	1,128.6	1,120.3	8.3	496.1	487.9	8.3	190.2	2.9	297.6	5.3	504.0	128.4			
1972	1,240.4	1,231.3	9.1	542.7	533.6	9.1	213.0	6.4	320.6	2.7	550.8	146.9			
1973	1,385.5	1,369.7	15.9	622.0	606.1	15.9	245.8	13.0	360.3	2.9	600.6	162.9			
1974	1,501.0	1,487.0	14.0	670.9	656.9	14.0	262.1	10.9	394.9	3.1	664.4	165.6			
1975	1,635.2	1,641.4	–6.3	724.8	731.1	–6.3	294.7	–7.5	436.4	1.2	743.6	166.7			
1976	1,823.9	1,806.8	17.1	811.4	794.3	17.1	329.6	10.8	464.7	6.3	821.3	191.2			
1977	2,031.4	2,009.1	22.3	890.7	868.4	22.3	374.6	9.5	493.8	12.8	913.9	226.8			
1978	2,295.9	2,270.1	25.8	1,004.5	978.7	25.8	426.2	18.2	552.5	7.6	1,019.6	271.8			
1979	2,566.4	2,548.4	18.0	1,128.7	1,110.7	18.0	487.3	12.8	623.4	5.2	1,127.1	310.6			
1980	2,795.6	2,801.9	–6.3	1,207.6	1,213.9	–6.3	518.0	–2.3	695.9	–4.0	1,268.9	319.1			
1981	3,131.3	3,101.5	29.8	1,362.8	1,333.0	29.8	564.5	7.3	768.5	22.5	1,418.6	350.0			
1982	3,259.2	3,274.1	–14.9	1,354.6	1,369.6	–14.9	566.1	–16.0	803.4	1.1	1,562.6	342.0			
1983	3,534.9	3,540.7	–5.8	1,452.1	1,457.8	–5.8	611.8	2.5	846.1	–8.2	1,716.1	366.8			
1984	3,932.7	3,867.3	65.4	1,637.0	1,571.6	65.4	686.6	41.4	885.0	24.0	1,872.2	423.6			
1985	4,213.0	4,191.2	21.8	1,702.7	1,680.9	21.8	750.0	4.4	930.9	17.4	2,054.0	456.3			
1986	4,452.9	4,446.3	6.6	1,758.2	1,751.7	6.6	781.5	–1.9	970.2	8.4	2,217.2	477.4			
1987	4,742.5	4,715.3	27.1	1,853.5	1,826.4	27.1	809.9	22.9	1,016.5	4.2	2,399.6	489.3			
1988	5,108.3	5,089.8	18.5	2,000.0	1,981.5	18.5	886.4	22.7	1,095.1	–4.3	2,599.5	508.8			
1989	5,489.1	5,461.4	27.7	2,175.3	2,147.6	27.7	963.8	20.0	1,183.8	7.7	2,792.8	521.0			
1990	5,803.2	5,788.7	14.5	2,266.4	2,251.9	14.5	994.3	7.7	1,257.6	6.8	3,010.8	526.0			
1991	5,986.2	5,986.4	–0.2	2,296.1	2,296.3	–0.2	988.3	–13.6	1,308.0	13.4	3,203.9	486.2			
1992	6,318.9	6,303.9	15.0	2,391.4	2,376.4	15.0	1,029.4	–3.0	1,346.9	18.0	3,416.0	511.5			
1993	6,642.3	6,621.2	21.1	2,503.2	2,482.1	21.1	1,090.7	17.1	1,391.4	4.0	3,593.5	545.6			
1994	7,054.3	6,991.8	62.6	2,680.2	2,617.6	62.6	1,161.6	35.7	1,456.0	26.8	3,782.6	591.6			
1995	7,400.5	7,367.5	33.0	2,798.1	2,765.1	33.0	1,239.8	33.6	1,525.3	–5	3,985.1	617.3			
1996	7,813.2	7,783.2	30.0	2,951.3	2,921.3	30.0	1,331.9	19.1	1,589.4	10.9	4,191.0	670.9			
1997	8,318.4	8,255.5	62.9	3,145.4	3,082.5	62.9	1,436.2	33.1	1,646.3	29.8	4,442.0	730.9			
1998	8,790.2	8,713.2	77.0	3,316.4	3,239.3	77.0	1,532.3	45.8	1,707.1	31.2	4,673.0	800.9			
1999	9,299.2	9,255.9	43.3	3,510.2	3,466.9	43.3	1,651.1	27.2	1,815.8	16.1	4,934.6	854.3			
1995:I	7,297.5	7,234.8	62.7	2,781.5	2,718.8	62.7	1,215.9	48.0	1,502.8	14.7	3,902.0	614.0			
1995:II	7,342.6	7,306.8	35.8	2,767.6	2,731.7	35.8	1,218.7	32.5	1,513.0	3.3	3,965.1	610.0			
1995:III	7,432.8	7,419.4	13.4	2,796.4	2,782.9	13.4	1,251.4	23.3	1,531.5	–9.8	4,018.8	617.7			
1995:IV	7,529.3	7,509.1	20.2	2,847.1	2,826.9	20.2	1,273.0	30.4	1,553.9	–10.2	4,054.5	627.7			
1996:I	7,629.6	7,622.8	6.8	2,876.6	2,869.8	6.8	1,298.8	10.2	1,571.0	–3.4	4,109.6	643.4			
1996:II	7,782.7	7,752.9	29.8	2,945.2	2,915.4	29.8	1,329.8	18.8	1,585.6	10.9	4,167.8	669.6			
1996:III	7,859.0	7,809.0	50.0	2,977.5	2,927.5	50.0	1,339.2	38.7	1,588.3	11.3	4,204.0	677.6			
1996:IV	7,981.4	7,947.9	33.5	3,005.9	2,972.4	33.5	1,359.8	8.6	1,612.7	24.8	4,282.4	693.1			
1997:I	8,124.2	8,075.4	48.8	3,070.3	3,021.5	48.8	1,388.4	26.0	1,633.1	22.8	4,343.4	710.5			
1997:II	8,279.8	8,192.1	87.7	3,140.6	3,052.9	87.7	1,418.3	58.3	1,634.6	29.4	4,418.7	720.5			
1997:III	8,390.9	8,341.1	49.9	3,176.8	3,126.9	49.9	1,472.3	19.8	1,654.7	30.1	4,473.9	740.2			
1997:IV	8,478.6	8,413.5	65.1	3,194.0	3,128.8	65.1	1,465.8	28.2	1,663.0	36.9	4,532.2	752.4			
1998:I	8,634.7	8,522.4	112.4	3,288.4	3,176.0	112.4	1,498.4	64.2	1,677.6	48.2	4,575.1	771.3			
1998:II	8,722.0	8,663.5	58.5	3,271.6	3,213.1	58.5	1,521.3	29.2	1,691.8	29.3	4,654.1	796.3			
1998:III	8,829.1	8,758.5	70.5	3,313.1	3,242.6	70.5	1,529.6	44.7	1,713.0	25.9	4,705.4	810.5			
1998:IV	8,974.9	8,908.3	66.6	3,392.2	3,325.6	66.6	1,579.7	45.2	1,745.9	21.4	4,757.3	825.4			
1999:I	9,104.5	9,055.3	49.2	3,423.7	3,374.5	49.2	1,597.3	28.8	1,777.2	20.4	4,831.8	849.0			
1999:II	9,191.5	9,177.0	14.5	3,451.2	3,436.7	14.5	1,635.9	5.0	1,800.8	9.5	4,891.2	849.1			
1999:III	9,340.9	9,304.2	36.7	3,527.3	3,490.6	36.7	1,669.4	27.6	1,821.1	9.1	4,965.2	848.5			
1999:IV	9,559.7	9,486.9	72.7	3,638.7	3,566.0	72.7	1,701.8	47.5	1,864.1	25.2	5,050.3	870.7			
2000:I	9,752.7	9,722.8	29.9	3,710.2	3,680.3	29.9	1,773.7	20.7	1,906.6	9.2	5,135.2	907.4			
2000:II	9,945.7	9,873.7	72.0	3,806.1	3,734.1	72.0	1,809.6	48.3	1,924.5	23.7	5,231.4	908.2			
2000:III	10,039.4	9,973.1	66.4	3,842.9	3,776.5	66.4	1,830.6	39.2	1,945.9	27.2	5,281.6	915.0			

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-9.—*Real gross domestic product by major type of product, 1959–2000*
[Billions of chained (1996) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Final sales of domestic product	Change in private inventories	Goods						Services	Structures	
				Total			Durable goods		Nondurable goods			
				Total	Final sales	Change in private inventories	Final sales	Change in private inventories	Final sales	Change in private inventories		
1959	2,319.0	2,317.4	12.1	764.7	.....	.....	.....	.....	.....	.....	1,222.2	340.6
1960	2,376.7	2,378.5	10.9	777.1	.....	.....	.....	.....	.....	.....	1,279.7	337.4
1961	2,432.0	2,435.5	9.5	780.6	.....	.....	.....	.....	.....	.....	1,337.4	346.8
1962	2,578.9	2,569.5	19.6	837.0	.....	.....	.....	.....	.....	.....	1,400.7	366.6
1963	2,690.4	2,683.6	18.4	866.1	.....	.....	.....	.....	.....	.....	1,465.7	391.3
1964	2,846.5	2,844.1	15.1	919.2	.....	.....	.....	.....	.....	.....	1,541.4	417.7
1965	3,028.5	3,008.5	30.6	994.9	.....	.....	.....	.....	.....	.....	1,613.8	438.6
1966	3,227.5	3,191.1	42.8	1,083.4	.....	.....	.....	.....	.....	.....	1,705.9	439.2
1967	3,308.3	3,288.2	31.7	1,095.2	.....	.....	.....	.....	.....	.....	1,795.9	432.7
1968	3,466.1	3,450.0	28.4	1,146.7	.....	.....	.....	.....	.....	.....	1,876.5	459.3
1969	3,571.4	3,555.9	27.4	1,180.6	.....	.....	.....	.....	.....	.....	1,943.9	465.2
1970	3,578.0	3,588.6	4.4	1,166.5	.....	.....	.....	.....	.....	.....	1,999.0	445.1
1971	3,697.7	3,688.1	23.9	1,194.3	.....	.....	.....	.....	.....	.....	2,056.8	486.4
1972	3,898.4	3,887.7	23.7	1,280.1	.....	.....	.....	.....	.....	.....	2,123.2	522.4
1973	4,123.4	4,094.3	35.6	1,395.0	.....	.....	.....	.....	.....	.....	2,199.5	533.7
1974	4,099.0	4,080.7	25.0	1,378.5	.....	.....	.....	.....	.....	.....	2,259.6	478.4
1975	4,084.4	4,118.5	-9.4	1,357.9	.....	.....	.....	.....	.....	.....	2,327.5	435.0
1976	4,311.7	4,288.8	32.5	1,453.8	.....	.....	.....	.....	.....	.....	2,403.5	475.9
1977	4,511.8	4,478.8	40.8	1,524.1	.....	.....	.....	.....	.....	.....	2,483.1	521.1
1978	4,760.6	4,722.9	44.1	1,621.8	.....	.....	.....	.....	.....	.....	2,577.9	567.1
1979	4,912.1	4,894.4	26.1	1,686.1	.....	.....	.....	.....	.....	.....	2,642.9	582.7
1980	4,900.9	4,928.1	-10.5	1,677.0	.....	.....	.....	.....	.....	.....	2,695.2	541.4
1981	5,021.0	4,989.5	37.9	1,753.6	.....	.....	.....	.....	.....	.....	2,733.9	533.5
1982	4,919.3	4,954.9	-15.6	1,678.4	.....	.....	.....	.....	.....	.....	2,780.7	487.8
1983	5,132.3	5,154.5	-9.7	1,754.8	.....	.....	.....	.....	.....	.....	2,877.3	524.3
1984	5,505.2	5,427.9	76.1	1,941.1	.....	.....	.....	.....	.....	.....	2,968.4	595.2
1985	5,717.1	5,698.8	27.1	1,990.0	.....	.....	.....	.....	.....	.....	3,107.7	626.1
1986	5,912.4	5,912.6	9.6	2,057.5	.....	.....	.....	.....	.....	.....	3,227.9	635.2
1987	6,113.3	6,088.8	29.6	2,136.3	2,112.2	29.6	837.8	25.0	1,285.3	3.1	3,354.6	631.1
1988	6,368.4	6,352.6	18.4	2,255.3	2,239.0	18.4	919.1	23.9	1,325.4	-6.9	3,485.3	632.8
1989	6,591.8	6,565.4	29.6	2,379.6	2,353.6	29.6	982.7	20.6	1,374.2	8.7	3,584.9	626.5
1990	6,707.9	6,695.6	16.5	2,404.2	2,391.1	16.5	1,000.0	7.9	1,394.2	8.6	3,692.3	614.8
1991	6,676.4	6,681.5	-1.0	2,372.7	2,375.6	-1.0	976.8	-14.0	1,403.6	13.5	3,752.1	559.5
1992	6,880.0	6,867.7	17.1	2,455.0	2,441.5	17.1	1,018.0	-2.9	1,427.2	20.6	3,847.3	584.9
1993	7,062.6	7,043.8	20.0	2,548.2	2,528.5	20.0	1,076.5	17.7	1,454.4	2.0	3,916.8	602.5
1994	7,347.7	7,285.8	66.8	2,708.3	2,647.0	66.8	1,144.2	35.9	1,504.4	30.8	4,010.3	630.7
1995	7,543.8	7,512.2	30.4	2,813.8	2,782.3	30.4	1,231.8	33.3	1,551.0	-3.6	4,097.5	632.9
1996	7,813.2	7,783.2	30.0	2,951.3	2,921.3	30.0	1,331.9	19.1	1,589.4	10.9	4,191.0	670.9
1997	8,159.5	8,095.2	63.8	3,145.9	3,081.3	63.8	1,457.5	33.4	1,624.4	30.4	4,307.6	706.9
1998	8,515.7	8,435.2	80.2	3,340.0	3,258.7	80.2	1,591.2	46.9	1,670.2	33.3	4,427.1	751.8
1999	8,875.8	8,826.9	45.3	3,543.8	3,495.7	45.3	1,752.5	28.2	1,749.3	17.1	4,563.3	776.5
1995: I	7,488.7	7,427.3	62.2	2,800.3	2,739.5	62.2	1,202.4	47.7	1,537.8	13.6	4,053.0	635.5
II	7,503.3	7,469.6	32.5	2,784.9	2,751.3	32.5	1,209.8	32.2	1,542.1	-3	4,091.8	627.3
III	7,561.4	7,549.7	9.0	2,810.0	2,798.1	9.0	1,246.9	23.1	1,551.6	-14.7	4,120.6	631.3
IV	7,621.9	7,602.5	18.0	2,860.0	2,840.3	18.0	1,268.3	30.3	1,572.3	-12.8	4,124.5	637.6
1996: I	7,676.4	7,669.6	5.6	2,879.4	2,872.4	5.6	1,292.5	10.2	1,580.0	-4.7	4,147.0	650.2
II	7,802.9	7,773.4	30.3	2,942.3	2,912.8	30.3	1,330.2	18.7	1,582.5	11.5	4,187.1	673.5
III	7,841.9	7,792.1	51.2	2,976.3	2,926.4	51.2	1,340.8	38.7	1,585.6	12.7	4,191.1	674.5
IV	7,931.3	7,897.6	32.9	3,007.1	2,973.6	32.9	1,364.0	8.7	1,609.5	24.2	4,238.6	685.5
1997: I	8,016.4	7,966.4	49.3	3,065.5	3,015.4	49.3	1,394.9	26.2	1,620.4	23.1	4,254.7	696.5
II	8,131.9	8,043.2	88.3	3,135.2	3,045.7	88.3	1,434.3	58.8	1,611.8	29.6	4,297.2	700.4
III	8,216.6	8,164.9	51.3	3,179.3	3,127.5	51.3	1,499.4	20.0	1,629.2	31.3	4,325.3	713.2
IV	8,272.9	8,206.3	66.1	3,203.5	3,136.4	66.1	1,501.5	28.7	1,636.0	37.4	4,353.1	717.6
1998: I	8,404.9	8,289.4	117.3	3,304.6	3,187.1	117.3	1,542.6	65.3	1,646.4	52.1	4,372.2	731.7
II	8,465.6	8,402.7	60.9	3,294.1	3,231.1	60.9	1,574.7	29.7	1,658.7	31.2	4,422.6	750.7
III	8,537.6	8,463.4	73.1	3,335.9	3,261.2	73.1	1,590.8	45.9	1,672.9	27.1	4,445.6	758.6
IV	8,654.5	8,585.0	69.4	3,425.4	3,355.5	69.4	1,656.7	46.6	1,702.7	22.6	4,468.0	766.4
1999: I	8,730.0	8,680.3	48.1	3,450.0	3,401.1	48.1	1,684.0	30.0	1,721.2	18.0	4,503.4	781.3
II	8,783.2	8,764.9	13.1	3,475.6	3,459.8	13.1	1,730.9	5.2	1,734.6	7.9	4,537.8	774.7
III	8,905.8	8,861.8	39.1	3,565.3	3,522.4	39.1	1,776.9	28.6	1,752.7	10.5	4,581.1	768.1
IV	9,084.1	9,000.5	80.9	3,684.4	3,599.6	80.9	1,818.2	48.9	1,788.9	32.1	4,631.0	781.9
2000: I	9,191.8	9,148.0	36.6	3,741.9	3,699.5	36.6	1,899.0	21.2	1,811.5	15.5	4,659.3	804.9
II	9,318.9	9,235.3	78.6	3,818.8	3,733.9	78.6	1,933.9	49.5	1,813.1	29.5	4,718.8	798.8
III	9,369.5	9,290.9	72.5	3,857.8	3,778.3	72.5	1,955.2	40.2	1,836.2	32.5	4,733.6	797.6

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-10.—*Gross domestic product by sector, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Business ¹					Households and institutions			General government ²		
		Total	Nonfarm ¹			Farm	Total	Private households	Non-profit institutions	Total	Federal	State and local
			Total ¹	Nonfarm less housing	Housing							
1959	507.4	436.6	417.7	382.1	35.6	18.9	12.4	3.6	8.9	58.4	32.0	26.5
1960	527.4	451.3	431.5	392.9	38.6	19.8	13.9	3.8	10.1	62.1	33.2	28.9
1961	545.7	465.1	445.0	403.6	41.4	20.1	14.5	3.7	10.7	66.1	34.5	31.6
1962	586.5	500.0	479.8	435.2	44.6	20.2	15.6	3.8	11.8	70.9	36.7	34.2
1963	618.7	526.3	506.0	458.5	47.4	20.4	16.7	3.8	12.8	75.7	38.6	37.1
1964	664.4	565.2	546.0	495.8	50.2	19.3	17.9	3.9	14.0	81.3	40.9	40.4
1965	720.1	613.9	592.1	538.5	53.5	21.9	19.3	4.0	15.3	86.8	42.6	44.2
1966	789.3	671.0	648.2	591.2	57.0	22.9	21.3	4.0	17.2	97.0	47.4	49.6
1967	834.1	703.4	681.1	620.3	60.8	22.2	23.4	4.2	19.2	107.3	51.8	55.5
1968	911.5	766.1	743.4	678.6	64.8	22.7	26.1	4.4	21.7	119.3	56.7	62.5
1969	985.3	825.4	800.2	730.3	69.9	25.2	29.5	4.4	25.0	130.5	60.5	70.0
1970	1,039.7	863.1	836.9	761.9	74.9	26.2	32.4	4.5	27.9	144.2	64.7	79.5
1971	1,128.6	935.7	907.6	825.9	81.7	28.1	35.6	4.6	31.0	157.3	68.6	88.7
1972	1,240.4	1,030.0	997.3	908.6	88.7	32.6	38.9	4.6	34.3	171.5	73.6	97.9
1973	1,385.5	1,156.8	1,107.1	1,010.1	96.9	49.8	43.0	4.8	38.2	185.7	76.4	109.3
1974	1,501.0	1,250.5	1,203.1	1,097.2	105.9	47.4	47.1	4.6	42.6	203.4	81.6	121.8
1975	1,635.2	1,356.8	1,308.1	1,193.8	114.3	48.8	52.0	4.6	47.3	226.4	89.1	137.2
1976	1,823.9	1,521.6	1,475.1	1,350.1	125.0	46.4	57.1	5.4	51.6	245.3	95.6	149.7
1977	2,031.4	1,702.8	1,655.6	1,516.2	139.4	47.2	62.4	5.9	56.4	266.2	103.6	162.7
1978	2,295.9	1,937.3	1,882.5	1,726.7	155.8	54.7	69.7	6.5	63.2	288.9	111.0	177.9
1979	2,566.4	2,174.9	2,110.5	1,934.4	176.1	64.5	77.3	6.4	70.9	314.2	118.7	195.5
1980	2,795.6	2,358.8	2,302.7	2,097.6	205.1	56.1	87.1	6.1	81.0	349.7	132.1	217.5
1981	3,131.3	2,647.3	2,577.4	2,342.2	235.2	69.9	97.6	6.2	91.4	386.5	148.3	238.2
1982	3,259.2	2,729.8	2,664.6	2,405.2	259.4	65.1	108.2	6.3	102.0	421.2	163.1	258.1
1983	3,534.9	2,968.1	2,918.9	2,642.2	276.7	49.2	119.2	6.3	112.9	447.7	173.0	274.7
1984	3,932.7	3,313.9	3,245.3	2,942.8	302.6	68.5	131.2	7.3	123.9	487.7	194.0	293.7
1985	4,213.0	3,546.8	3,479.7	3,147.4	332.3	67.1	141.0	7.3	133.6	525.3	206.3	319.1
1986	4,452.9	3,740.9	3,678.0	3,318.9	359.0	63.0	153.7	7.7	146.0	558.2	213.9	344.3
1987	4,742.5	3,976.0	3,910.9	3,523.9	387.0	65.1	173.3	7.7	165.6	593.1	224.5	368.7
1988	5,108.3	4,281.2	4,217.4	3,799.0	418.4	63.8	195.1	8.3	186.8	632.0	235.9	396.2
1989	5,489.1	4,600.9	4,524.7	4,074.5	450.2	76.2	214.6	8.9	205.7	673.6	247.6	426.0
1990	5,803.2	4,842.0	4,762.4	4,281.1	481.3	79.6	237.9	9.4	228.6	723.3	259.7	463.6
1991	5,986.2	4,962.4	4,889.2	4,381.3	507.9	73.2	257.5	9.1	248.4	766.3	275.8	490.4
1992	6,318.9	5,242.1	5,161.6	4,626.2	535.4	80.5	279.5	10.1	269.4	797.3	282.8	514.5
1993	6,642.3	5,518.0	5,444.4	4,895.5	548.9	73.6	297.0	10.7	286.3	827.3	287.0	540.3
1994	7,054.3	5,886.6	5,803.0	5,218.3	584.7	83.6	313.3	11.1	302.2	854.5	287.4	567.0
1995	7,400.5	6,190.1	6,116.9	5,499.4	617.5	73.2	330.3	11.9	318.4	880.1	286.8	593.3
1996	7,813.2	6,556.0	6,463.8	5,820.9	642.8	92.2	348.6	12.0	336.5	908.7	292.0	616.7
1997	8,318.4	7,010.5	6,922.2	6,255.6	666.7	88.3	363.2	12.0	351.2	944.6	295.4	649.2
1998	8,790.2	7,425.7	7,345.0	6,642.7	702.3	80.8	385.1	14.0	371.2	979.3	298.6	680.7
1999	9,299.2	7,872.4	7,798.2	7,054.0	744.3	74.2	401.7	11.5	390.3	1,025.0	309.5	715.5
1995:I	7,297.5	6,100.3	6,028.7	5,420.9	607.8	71.6	324.1	11.6	312.5	873.0	287.0	586.1
1995:II	7,342.6	6,137.0	6,067.5	5,455.3	612.2	69.5	328.4	11.8	316.6	877.1	286.5	590.7
1995:III	7,432.8	6,218.5	6,147.6	5,530.1	617.6	70.8	332.1	12.0	320.1	882.3	287.3	595.0
1995:IV	7,529.3	6,304.7	6,223.8	5,591.3	632.5	80.9	336.7	12.1	324.6	887.9	286.4	601.4
1996:I	7,629.6	6,388.5	6,301.6	5,668.3	633.2	86.9	341.9	12.1	329.8	899.3	292.0	607.2
1996:II	7,782.7	6,530.3	6,435.5	5,797.3	638.2	94.8	346.0	12.0	334.0	906.4	292.5	613.9
1996:III	7,859.0	6,596.0	6,498.2	5,852.0	646.2	97.7	350.5	12.0	338.6	912.5	292.6	619.9
1996:IV	7,981.4	6,709.1	6,619.8	5,966.2	653.7	89.3	355.8	11.9	343.8	916.5	290.9	625.6
1997:I	8,124.2	6,833.3	6,744.5	6,085.6	658.9	88.7	357.8	11.7	346.1	933.1	296.2	636.9
1997:II	8,279.8	6,977.9	6,890.0	6,226.3	663.7	87.9	360.8	11.8	349.0	941.1	295.9	645.2
1997:III	8,390.9	7,077.3	6,988.5	6,319.8	668.7	88.9	364.9	12.1	352.8	948.7	295.4	653.3
1997:IV	8,478.6	7,153.5	7,065.9	6,390.5	675.4	87.6	369.4	12.6	356.8	955.7	294.2	661.5
1998:I	8,634.7	7,292.7	7,208.7	6,525.0	683.7	84.0	376.5	13.9	362.6	965.5	297.2	668.3
1998:II	8,722.0	7,365.2	7,284.0	6,586.9	697.0	81.3	382.9	14.2	368.8	973.8	297.4	676.5
1998:III	8,829.1	7,456.5	7,378.3	6,668.5	709.8	78.1	388.3	14.1	374.2	984.3	299.1	685.2
1998:IV	8,974.9	7,588.5	7,508.8	6,790.2	718.6	79.6	392.8	13.8	379.1	993.6	300.6	693.0
1999:I	9,104.5	7,697.9	7,619.3	6,889.6	729.7	78.6	396.4	13.1	383.3	1,010.2	308.3	701.8
1999:II	9,191.5	7,773.0	7,695.4	6,957.3	738.2	77.6	399.9	12.2	387.7	1,018.7	308.3	710.3
1999:III	9,340.9	7,908.0	7,837.1	7,088.4	748.7	70.9	403.2	11.0	392.2	1,029.7	309.7	720.0
1999:IV	9,559.7	8,110.8	8,041.1	7,280.5	760.6	69.8	407.4	9.5	397.9	1,041.4	311.7	729.8
2000:I	9,752.7	8,277.9	8,207.0	7,431.1	775.9	71.0	412.0	9.1	402.9	1,062.7	322.9	739.8
2000:II	9,945.7	8,449.9	8,375.0	7,589.9	785.0	74.9	418.2	9.3	408.9	1,077.6	328.6	749.0
2000:III	10,039.4	8,526.9	8,454.2	7,660.3	793.9	72.8	425.1	9.5	415.7	1,087.4	328.6	758.8

¹ Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Nonfarm product equals gross domestic business product less gross farm product.

² Equals compensation of general government employees plus general government consumption of fixed capital.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-11.—*Real gross domestic product by sector, 1959–2000*

[Billions of chained (1996) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross domestic product	Business ¹					Households and institutions			General government ²		
		Total	Nonfarm ¹			Farm	Total	Private households	Non-profit institutions	Total	Federal	State and local
			Total ¹	Nonfarm less housing	Housing							
1959	2,319.0	1,788.0	1,738.5	1,567.3	167.8	40.2	115.6	22.6	86.1	460.3	250.4	211.1
1960	2,376.7	1,827.9	1,775.1	1,593.4	179.2	42.2	123.5	22.8	94.1	476.3	255.3	222.3
1961	2,432.0	1,868.1	1,815.5	1,624.0	189.8	42.5	124.4	22.1	96.1	493.3	260.8	233.7
1962	2,578.9	1,988.1	1,938.9	1,734.8	202.2	41.7	129.0	21.9	101.0	512.6	271.7	242.3
1963	2,690.4	2,079.0	2,029.0	1,814.4	212.7	42.9	132.1	21.6	104.7	527.8	274.1	254.9
1964	2,846.5	2,209.0	2,163.6	1,938.2	222.9	41.5	135.9	21.4	108.9	545.7	276.6	270.2
1965	3,028.5	2,362.0	2,314.5	2,076.0	235.5	43.8	140.8	20.7	115.0	564.0	278.4	286.6
1966	3,227.5	2,520.3	2,478.3	2,227.5	246.9	42.4	146.0	19.9	121.5	599.4	296.8	303.7
1967	3,308.3	2,572.3	2,525.7	2,263.6	259.2	45.2	150.8	20.0	126.3	631.5	316.4	316.4
1968	3,466.1	2,699.7	2,657.6	2,384.8	269.3	43.7	155.3	19.0	132.2	656.5	322.1	335.4
1969	3,571.4	2,783.4	2,740.2	2,455.9	281.4	44.9	160.3	18.0	138.7	673.6	323.5	350.7
1970	3,578.0	2,788.7	2,743.0	2,451.5	289.7	46.3	158.8	16.9	138.7	676.4	310.0	366.2
1971	3,697.7	2,897.9	2,850.0	2,546.7	301.7	48.4	162.3	16.1	143.3	678.0	296.4	381.2
1972	3,898.4	3,085.6	3,040.7	2,721.5	316.6	48.3	166.9	15.6	148.6	677.6	282.9	394.5
1973	4,123.4	3,295.5	3,256.4	2,921.0	331.4	48.1	170.9	15.2	153.2	680.5	272.7	408.1
1974	4,099.0	3,261.1	3,223.9	2,874.6	349.1	47.0	172.2	13.1	157.1	693.7	271.4	422.9
1975	4,084.4	3,235.1	3,177.1	2,825.8	353.1	55.5	177.7	12.3	163.8	704.4	269.5	435.8
1976	4,311.7	3,446.7	3,397.0	3,033.3	362.1	53.3	179.8	12.7	165.4	709.9	269.4	441.5
1977	4,511.8	3,629.7	3,577.7	3,200.8	373.4	56.0	185.0	12.9	170.4	716.4	269.2	448.3
1978	4,760.6	3,855.5	3,810.5	3,412.5	393.4	54.1	188.4	13.3	173.3	729.8	272.3	458.7
1979	4,912.1	3,992.1	3,940.8	3,523.2	414.4	58.3	192.5	11.8	179.5	737.2	271.7	466.9
1980	4,900.9	3,969.1	3,921.0	3,482.7	441.8	56.5	198.1	10.4	187.0	747.4	275.7	473.2
1981	5,021.0	4,077.9	4,005.4	3,551.6	459.3	72.6	202.6	9.7	192.6	751.4	279.8	473.0
1982	4,919.3	3,970.0	3,892.4	3,436.5	465.3	75.7	208.4	9.3	199.0	758.6	283.9	476.0
1983	5,132.3	4,168.3	4,125.4	3,662.2	468.3	50.5	213.0	9.2	203.8	763.2	290.2	474.1
1984	5,505.2	4,518.2	4,454.1	3,970.0	486.4	67.4	218.2	10.4	207.6	772.4	296.5	476.9
1985	5,717.1	4,700.4	4,620.5	4,120.1	502.4	80.7	224.9	10.1	214.7	794.3	304.7	490.6
1986	5,912.4	4,865.0	4,788.7	4,278.6	511.2	77.5	236.0	10.4	225.5	813.7	309.9	504.8
1987	6,113.3	5,035.9	4,958.5	4,433.0	526.3	78.8	247.8	10.2	237.6	831.4	318.0	514.5
1988	6,368.4	5,251.5	5,183.8	4,640.7	543.5	70.2	265.5	10.6	254.8	852.8	321.8	532.1
1989	6,591.8	5,440.1	5,362.5	4,801.5	561.4	79.5	279.8	11.1	268.6	873.0	325.6	548.5
1990	6,707.9	5,523.5	5,440.8	4,869.5	571.8	84.2	291.5	11.4	280.1	895.1	331.4	564.7
1991	6,676.4	5,475.7	5,391.6	4,806.6	586.4	85.6	300.9	10.5	290.4	903.6	333.3	571.2
1992	6,880.0	5,668.9	5,575.3	4,976.6	599.8	95.7	308.6	11.3	297.3	904.9	326.2	579.4
1993	7,062.6	5,838.3	5,753.4	5,154.3	599.5	85.8	319.7	11.7	308.0	906.2	319.7	587.1
1994	7,347.7	6,111.8	6,013.7	5,392.4	621.6	100.3	330.9	11.8	319.1	905.6	309.9	596.1
1995	7,543.8	6,295.9	6,210.3	5,574.2	636.2	85.5	341.5	12.2	329.3	906.7	299.1	607.7
1996	7,813.2	6,556.0	6,463.8	5,820.9	642.8	92.2	348.6	12.0	336.5	908.7	292.0	616.7
1997	8,159.5	6,881.8	6,778.9	6,130.0	649.0	103.6	360.5	11.7	348.8	917.3	287.9	629.3
1998	8,515.7	7,215.9	7,114.7	6,452.5	662.6	100.2	371.7	13.3	358.4	928.7	286.4	642.2
1999	8,875.8	7,557.0	7,450.2	6,767.8	683.1	106.3	378.3	10.6	367.8	942.1	286.5	655.4
1995:I	7,488.7	6,243.2	6,154.9	5,521.2	633.9	88.9	338.3	12.1	326.2	907.6	303.1	604.7
1995:II	7,503.3	6,254.1	6,167.5	5,534.1	633.6	86.7	340.8	12.2	328.5	908.8	302.2	606.7
1995:III	7,561.4	6,310.4	6,228.6	5,594.6	634.1	80.8	342.7	12.3	330.3	908.5	300.5	608.1
1995:IV	7,621.9	6,375.9	6,290.1	5,646.9	643.4	85.3	344.3	12.3	332.0	901.8	290.5	611.2
1996:I	7,676.4	6,431.7	6,341.9	5,702.9	639.1	89.6	345.1	12.2	332.8	899.8	291.2	608.6
1996:II	7,802.9	6,543.3	6,450.6	5,810.1	640.5	92.7	347.2	12.1	335.0	912.5	294.2	618.3
1996:III	7,841.9	6,581.0	6,488.3	5,844.0	644.3	92.7	349.7	11.9	337.8	911.2	292.9	618.4
1996:IV	7,931.3	6,667.9	6,574.2	5,926.8	647.4	93.7	352.3	11.8	340.5	911.1	289.8	621.4
1997:I	8,016.4	6,748.1	6,649.1	6,000.7	648.5	99.3	355.2	11.6	343.6	913.0	289.4	623.7
1997:II	8,131.9	6,857.1	6,755.9	6,107.3	648.7	101.6	358.8	11.5	347.3	916.2	288.6	627.6
1997:III	8,216.6	6,934.5	6,827.8	6,179.4	648.5	108.0	362.6	11.7	350.9	919.6	288.2	631.4
1997:IV	8,272.9	6,987.5	6,882.7	6,232.5	650.3	105.4	365.6	12.1	353.4	920.1	285.4	634.6
1998:I	8,404.9	7,113.5	7,011.1	6,358.2	653.2	102.2	368.7	13.4	355.3	923.0	285.9	637.1
1998:II	8,465.6	7,168.7	7,069.0	6,407.9	661.4	98.7	370.7	13.5	357.2	926.7	286.0	640.7
1998:III	8,537.6	7,234.5	7,133.6	6,466.8	667.1	99.9	372.7	13.3	359.4	931.0	286.7	644.2
1998:IV	8,654.5	7,346.8	7,245.3	6,577.0	668.9	100.2	374.7	12.9	361.8	933.9	287.0	646.9
1999:I	8,730.0	7,417.5	7,311.4	6,637.0	674.9	106.1	376.0	12.2	363.8	937.6	286.7	650.8
1999:II	8,783.2	7,467.0	7,357.3	6,678.6	679.3	111.4	377.7	11.3	366.4	939.7	286.0	653.5
1999:III	8,905.8	7,585.1	7,479.2	6,794.1	685.9	104.5	378.7	10.1	368.7	943.6	286.3	657.1
1999:IV	9,084.1	7,758.4	7,652.7	6,961.6	692.3	103.1	380.9	8.6	372.3	947.4	287.0	660.2
2000:I	9,191.8	7,859.0	7,749.9	7,050.6	700.6	107.3	382.3	8.2	374.2	953.5	289.1	664.2
2000:II	9,318.9	7,975.8	7,868.5	7,165.4	704.7	104.1	384.5	8.2	376.4	962.0	294.5	667.4
2000:III	9,369.5	8,021.9	7,912.9	7,206.7	707.9	106.2	386.5	8.3	378.3	964.6	292.9	671.6

¹ Gross domestic business product equals gross domestic product less gross product of households and institutions and of general government. Nonfarm product equals gross domestic business product less gross farm product.² Equals compensation of general government employees plus general government consumption of fixed capital.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-12.—*Gross domestic product by industry, 1959–99*
[Billions of dollars]

Year	Gross domestic product	Private industries											Government
		Total private industries	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Statistical discrepancy ¹	
<i>Based on 1972 SIC:</i>													
1959	507.4	442.1	20.3	12.6	23.6	140.3	45.3	35.7	49.5	65.5	48.4	0.8	65.3
1960	527.4	457.9	21.4	13.0	24.1	142.5	47.5	37.4	50.7	70.3	51.6	–6	69.5
1961	545.7	472.0	21.7	13.1	25.1	143.0	49.1	38.4	52.0	74.7	55.0	–2	73.7
1962	586.5	507.6	22.1	13.3	26.9	156.8	52.2	41.0	55.7	79.5	59.4	.7	79.0
1963	618.7	533.9	22.3	13.6	28.8	166.2	55.1	42.8	58.2	83.8	63.5	–4	84.8
1964	664.4	573.4	21.4	14.0	31.4	178.1	58.6	46.0	63.9	89.5	69.2	1.2	90.9
1965	720.1	623.0	24.2	14.2	34.5	196.6	62.7	49.7	68.4	96.0	74.8	1.9	97.1
1966	789.3	681.6	25.4	14.8	37.6	215.8	67.6	54.1	73.1	103.9	82.8	6.4	107.7
1967	834.1	715.5	24.9	15.3	39.4	221.3	70.9	57.5	78.7	111.6	91.0	4.8	118.6
1968	911.5	779.4	25.7	16.4	43.1	241.8	76.8	63.1	87.1	121.5	99.7	4.3	132.0
1969	985.3	841.1	28.5	17.3	48.3	254.6	83.1	68.3	94.6	132.3	111.1	2.9	144.3
1970	1,039.7	880.7	29.8	18.9	50.9	249.8	88.7	72.0	100.7	142.1	120.9	6.9	158.9
1971	1,128.6	955.4	32.1	19.1	55.9	263.2	97.8	77.7	109.7	157.6	130.8	11.3	173.2
1972	1,240.4	1,051.1	37.3	20.0	62.1	290.5	109.0	86.9	119.2	172.0	145.4	8.7	189.3
1973	1,385.5	1,180.9	55.0	24.0	70.2	321.9	119.7	97.8	131.1	189.5	163.7	8.0	204.6
1974	1,501.0	1,276.4	53.2	37.1	75.0	337.1	130.1	111.1	137.0	206.1	179.6	10.0	224.7
1975	1,635.2	1,386.5	54.9	42.8	75.5	354.8	142.4	121.1	153.2	224.6	199.5	17.7	248.7
1976	1,823.9	1,553.1	53.7	47.5	85.8	405.8	161.4	129.1	172.7	248.0	224.4	24.5	270.8
1977	2,031.4	1,738.3	54.3	54.0	94.8	462.8	179.4	142.2	190.9	282.2	256.2	21.6	293.1
1978	2,295.9	1,976.8	63.3	61.7	112.0	517.5	202.3	162.1	214.8	327.0	295.1	21.0	319.1
1979	2,566.4	2,219.5	74.5	71.5	126.5	571.0	219.0	183.8	233.5	369.7	334.3	35.7	346.8
1980	2,795.6	2,410.8	66.7	113.1	129.8	587.5	242.4	196.9	245.4	416.2	378.9	33.9	384.8
1981	3,131.3	2,704.3	81.1	152.6	131.5	652.2	274.6	218.5	270.6	467.5	428.1	27.5	427.0
1982	3,259.2	2,794.8	77.1	150.4	130.8	650.7	295.4	224.2	288.1	500.7	474.9	2.5	464.5
1983	3,534.9	3,039.7	62.6	129.1	139.8	693.3	324.0	236.9	322.4	559.0	525.5	47.0	495.3
1984	3,932.7	3,392.3	83.8	135.9	166.1	782.5	357.5	271.1	361.9	619.6	595.3	18.6	540.5
1985	4,213.0	3,627.9	84.7	135.3	186.3	804.4	379.0	289.1	394.4	686.5	656.5	11.7	585.1
1986	4,452.9	3,830.8	82.4	88.2	207.9	829.5	395.5	301.2	415.2	750.9	716.3	43.9	622.0
<i>Based on 1987 SIC:</i>													
1987	4,742.5	4,081.4	88.9	92.2	219.3	888.6	426.2	308.9	434.5	829.7	789.9	3.3	661.0
1988	5,108.3	4,401.8	89.1	99.2	237.2	979.9	449.0	346.6	461.5	893.7	887.9	–42.2	706.5
1989	5,489.1	4,735.5	102.0	97.1	245.8	1,017.7	468.7	364.7	492.7	954.5	976.0	16.3	753.6
1990	5,803.2	4,996.7	108.3	111.9	248.7	1,040.6	490.9	376.1	507.8	1,010.3	1,071.5	30.6	806.6
1991	5,986.2	5,129.1	102.9	96.7	232.7	1,043.5	518.3	395.6	523.7	1,072.2	1,123.8	19.6	857.1
1992	6,318.9	5,424.5	111.7	87.6	234.4	1,082.0	538.5	414.6	551.7	1,140.9	1,219.4	43.7	894.4
1993	6,642.3	5,717.5	108.3	88.4	248.9	1,131.4	573.3	432.5	578.0	1,205.3	1,287.7	63.8	924.8
1994	7,054.3	6,096.7	118.5	90.2	275.3	1,223.2	611.4	479.2	620.6	1,254.8	1,365.0	58.5	957.6
1995	7,400.5	6,411.1	109.8	95.7	290.3	1,289.1	642.6	500.6	646.8	1,347.2	1,462.4	26.5	989.5
1996	7,813.2	6,792.8	130.4	113.0	316.4	1,316.0	666.3	529.6	687.1	1,436.8	1,564.2	32.8	1,020.4
1997	8,318.4	7,253.6	130.0	118.9	338.2	1,379.6	688.4	566.8	740.5	1,569.9	1,691.5	29.7	1,064.8
1998	8,790.2	7,684.4	127.2	105.6	378.1	1,436.0	728.0	610.9	796.8	1,689.5	1,837.1	–24.8	1,058.8
1999	9,299.2	8,140.8	125.4	111.8	416.4	1,500.8	779.6	643.3	856.4	1,792.1	1,986.9	–71.9	1,158.4

¹ Equals gross domestic product (GDP) measured as the sum of expenditures less gross domestic income.

Note.—For details regarding these data, see *Survey of Current Business*, June 2000.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-13.—*Real gross domestic product by industry, 1987–99*

[Billions of chained (1996) dollars]

Year	Gross domestic product	Private industries										Government	
		Total private industries	Agriculture, forestry, and fishing	Mining	Construction	Manufacturing	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services		Statistical discrepancy ¹
<i>Based on 1987 SIC:</i>													
1987	6,113.3	5,212.0	110.3	98.5	278.4	1,046.3	460.4	353.5	512.1	1,169.1	1,181.0	4.2	938.0
1988	6,368.4	5,445.6	101.2	114.5	294.1	1,120.2	479.0	379.4	544.6	1,209.1	1,255.1	-51.8	961.0
1989	6,591.8	5,648.2	111.4	102.8	296.3	1,111.6	500.4	399.3	562.5	1,234.3	1,313.8	19.3	984.3
1990	6,707.9	5,736.8	118.5	105.8	290.7	1,102.3	525.0	395.1	559.5	1,250.6	1,361.9	34.9	1,008.2
1991	6,676.4	5,707.8	121.3	101.1	268.8	1,066.3	543.1	416.6	554.6	1,270.6	1,352.4	21.7	1,012.1
1992	6,880.0	5,880.3	130.7	95.7	271.7	1,085.0	555.7	444.9	569.7	1,297.4	1,391.4	47.3	1,015.3
1993	7,062.6	6,043.2	122.6	101.1	279.2	1,122.9	576.3	452.4	581.8	1,328.9	1,418.0	67.5	1,013.1
1994	7,347.7	6,314.4	135.8	108.1	297.2	1,206.0	606.1	481.6	617.2	1,347.6	1,458.1	60.7	1,016.0
1995	7,543.8	6,508.7	123.1	113.0	299.6	1,284.7	634.5	483.0	641.4	1,393.0	1,510.4	27.0	1,017.1
1996	7,813.2	6,792.8	130.4	113.0	316.4	1,316.0	666.3	529.6	687.1	1,436.8	1,564.2	32.8	1,020.4
1997	8,159.5	7,151.3	143.7	117.0	324.6	1,387.3	668.7	584.1	745.3	1,520.8	1,632.2	29.2	1,035.5
1998	8,515.7	7,449.9	144.0	126.2	345.8	1,446.4	686.4	665.3	805.5	1,605.9	1,704.4	-24.1	1,049.8
1999	8,875.8	7,860.7	150.9	121.9	361.1	1,529.4	752.3	709.3	847.3	1,692.1	1,772.6	-69.0	1,070.4

¹ Equals the current-dollar statistical discrepancy deflated by the implicit price deflator for gross domestic business product.Note.—For details regarding these data, see *Survey of Current Business*, June 2000.

Source: Department of Commerce, Bureaus of Economic Analysis.

TABLE B-14.—Gross product of nonfinancial corporate business, 1959–2000

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross product of non-financial corporate business	Consumption of fixed capital	Net product													
			Total	Indirect business taxes ¹	Total	Compensation of employees	Domestic income							Inventory valuation adjustment	Capital consumption adjustment	Net interest
							Corporate profits with inventory valuation and capital consumption adjustments									
							Total	Profits before tax	Profits tax liability	Profits after tax						
										Total	Dividends	Undistributed profits				

1959	267.3	23.1	244.2	26.1	218.2	171.3	43.7	43.6	20.7	22.9	10.0	12.9	–0.3	0.4	3.1
1960	278.0	24.0	254.0	28.4	225.6	181.0	41.1	40.3	19.2	21.1	10.6	10.5	–2	1.0	3.5
1961	285.5	24.6	260.9	29.6	231.3	185.2	42.1	40.1	19.5	20.6	10.6	10.1	.3	1.8	4.0
1962	311.7	25.5	286.2	32.1	254.1	200.0	49.6	44.9	20.6	24.3	11.4	12.9	.0	4.6	4.5
1963	331.8	26.5	305.4	34.1	271.2	210.9	55.5	49.8	22.8	27.1	12.6	14.4	.1	5.6	4.8
1964	358.2	27.9	330.3	36.7	293.7	226.5	61.9	56.1	24.0	32.1	13.7	18.4	–5	6.2	5.3
1965	393.7	29.9	363.8	39.3	324.6	246.3	72.2	66.3	27.2	39.1	15.6	23.5	–1.2	7.1	6.1
1966	431.4	32.7	398.7	40.5	358.2	273.8	77.0	71.6	29.5	42.1	16.8	25.3	–2.1	7.5	7.4
1967	453.9	35.9	418.0	43.2	374.9	292.2	73.9	67.7	27.8	39.9	17.5	22.4	–1.6	7.8	8.8
1968	501.0	39.7	461.4	49.8	411.5	323.1	78.3	74.1	33.6	40.6	19.1	21.4	–3.7	7.8	10.1
1969	543.9	43.9	500.0	54.8	445.2	358.5	73.5	71.1	33.3	37.8	19.1	18.7	–5.9	8.2	13.2
1970	562.0	48.5	513.5	59.0	454.6	378.1	59.4	58.5	27.2	31.4	18.5	12.8	–6.6	7.4	17.1
1971	606.9	53.1	553.8	64.6	489.1	401.2	69.8	67.3	29.9	37.4	18.5	18.9	–4.6	7.1	18.1
1972	673.9	58.4	615.6	69.4	546.2	445.9	81.1	79.0	33.8	45.3	20.1	25.2	–6.6	8.7	19.2
1973	755.6	63.8	691.8	76.6	615.2	504.5	88.2	99.0	40.2	58.8	21.1	37.8	–19.6	8.8	22.5
1974	816.7	74.7	742.0	81.9	660.1	555.1	76.7	109.6	42.2	67.4	21.7	45.7	–38.2	5.3	28.3
1975	883.0	89.2	793.8	88.0	705.8	578.6	98.5	110.5	41.5	69.0	24.8	44.2	–10.5	–1.4	28.7
1976	997.1	98.9	898.2	95.9	802.4	655.0	119.9	137.9	53.0	84.9	28.0	56.9	–14.1	–3.8	27.5
1977	1,127.8	111.0	1,016.9	104.9	912.0	740.0	141.3	159.2	59.9	99.3	31.5	67.8	–15.7	–2.3	30.7
1978	1,285.0	126.8	1,158.2	114.4	1,043.8	851.0	156.5	184.4	67.1	117.3	36.4	80.9	–23.7	–4.2	36.3
1979	1,431.5	147.0	1,284.6	123.3	1,161.3	966.2	150.1	197.1	69.6	127.5	38.1	89.4	–40.1	–6.9	45.0
1980	1,556.6	169.4	1,387.2	139.5	1,247.8	1,056.9	132.7	183.6	67.0	116.6	45.3	71.3	–42.1	–8.8	58.1
1981	1,770.1	195.9	1,574.2	168.1	1,406.1	1,169.9	164.4	184.2	63.9	120.3	53.3	67.0	–24.6	4.8	71.8
1982	1,831.4	216.8	1,614.6	169.7	1,444.9	1,216.1	146.3	136.9	46.3	90.7	53.3	37.4	–7.5	16.9	82.5
1983	1,953.3	225.1	1,728.2	185.3	1,542.9	1,279.9	186.4	160.7	59.4	101.3	64.2	37.1	–7.4	33.1	76.6
1984	2,194.8	237.3	1,957.5	205.4	1,752.1	1,421.4	242.9	195.3	73.7	121.6	67.8	53.8	–4.0	51.7	87.7
1985	2,329.3	253.9	2,075.4	219.0	1,856.4	1,522.3	243.7	172.3	69.9	102.3	72.3	30.1	.0	71.4	90.4
1986	2,414.4	270.3	2,144.1	231.2	1,912.9	1,603.8	210.7	147.9	75.6	72.3	73.9	–1.6	7.1	55.8	98.4
1987	2,595.3	283.8	2,311.6	241.9	2,069.7	1,716.3	248.3	209.5	93.5	116.0	75.9	40.1	–16.2	55.0	105.1
1988	2,814.5	302.0	2,512.5	256.3	2,256.2	1,844.1	288.6	257.3	101.9	155.5	79.8	75.7	–22.2	53.4	123.6
1989	2,961.4	322.8	2,638.6	275.9	2,362.7	1,946.6	264.2	235.6	98.9	136.7	104.2	32.6	–16.3	45.0	151.8
1990	3,096.2	338.4	2,757.9	290.6	2,467.3	2,052.7	258.5	237.2	95.8	141.4	119.2	22.2	–12.9	34.3	156.0
1991	3,150.6	354.9	2,795.7	313.1	2,482.6	2,086.9	252.8	221.6	85.5	136.1	125.8	10.3	4.9	26.3	143.0
1992	3,288.0	369.6	2,918.5	332.0	2,586.5	2,194.2	278.9	258.0	91.2	166.8	135.0	31.9	–2.8	23.7	113.3
1993	3,457.6	386.4	3,071.3	349.3	2,721.9	2,290.7	325.3	305.8	105.2	200.5	149.3	51.2	–4.0	23.6	105.9
1994	3,737.2	414.5	3,322.7	382.1	2,940.6	2,430.2	402.5	381.4	128.9	252.6	158.6	94.0	–12.4	33.5	107.9
1995	3,945.9	437.5	3,508.4	397.3	3,111.0	2,552.7	442.5	422.1	136.7	285.4	179.3	106.0	–18.3	38.7	115.8
1996	4,159.5	462.7	3,696.9	411.9	3,284.9	2,667.1	509.1	460.2	150.1	310.1	201.9	108.2	3.1	45.8	108.7
1997	4,435.1	493.0	3,942.1	431.4	3,510.7	2,835.1	555.6	496.1	158.3	337.7	218.1	119.6	8.4	51.1	120.0
1998	4,728.1	526.8	4,201.3	456.5	3,744.9	3,055.1	560.4	489.9	159.4	330.5	240.5	90.0	17.0	53.5	129.4
1999	5,048.8	569.6	4,479.3	482.5	3,996.8	3,267.0	588.5	539.5	166.6	373.0	250.9	122.1	–9.1	58.0	141.3
1995:I	3,875.9	425.3	3,450.5	394.8	3,055.7	2,517.8	420.9	414.1	134.4	279.6	172.7	107.0	–32.5	39.4	117.0
II	3,911.4	433.9	3,477.5	397.2	3,080.3	2,538.5	424.7	414.5	134.1	280.4	173.5	106.9	–28.2	38.4	117.2
III	3,979.8	440.7	3,539.1	396.0	3,143.1	2,566.7	460.6	431.3	139.5	291.8	183.2	108.5	–9.8	39.2	115.8
IV	4,016.5	450.0	3,566.4	401.4	3,165.0	2,587.9	463.8	428.7	139.0	289.7	188.0	101.7	–2.6	37.7	113.3
1996:I	4,056.5	453.1	3,603.3	405.4	3,197.9	2,600.0	491.1	445.9	144.9	300.9	198.9	102.0	2.1	43.1	106.9
II	4,130.9	458.9	3,672.0	410.7	3,261.3	2,649.2	504.0	460.2	150.0	310.2	195.0	115.2	–1.7	45.5	108.0
III	4,187.6	465.9	3,721.7	412.0	3,309.6	2,689.1	511.4	460.1	150.0	310.1	203.8	106.3	4.7	46.6	109.1
IV	4,263.3	472.9	3,790.4	419.5	3,370.9	2,730.1	529.8	474.7	155.5	319.2	210.1	109.1	7.1	48.0	111.0
1997:I	4,319.1	480.1	3,839.0	421.6	3,417.4	2,768.9	534.5	473.9	150.9	323.0	210.4	112.6	10.4	50.2	113.9
II	4,389.6	488.6	3,901.0	432.2	3,468.8	2,805.3	544.7	481.6	153.4	328.2	214.0	114.2	12.1	51.1	118.8
III	4,479.0	497.4	3,981.6	435.4	3,546.2	2,850.1	573.9	517.0	165.5	351.5	218.9	132.6	5.6	51.3	122.2
IV	4,552.6	505.8	4,046.8	436.2	3,610.5	2,916.1	569.2	511.8	163.6	348.2	229.1	119.1	5.7	51.8	125.2
1998:I	4,619.1	512.9	4,106.2	445.6	3,660.6	2,979.7	555.3	480.0	155.3	324.7	234.4	90.3	22.6	52.7	125.6
II	4,681.7	521.6	4,160.1	452.4	3,707.7	3,027.6	550.9	490.2	159.3	330.9	239.9	91.0	7.7	53.0	129.3
III	4,773.0	531.3	4,241.7	453.2	3,788.5	3,080.3	576.8	505.6	165.3	340.2	239.9	100.3	17.7	53.6	131.5
IV	4,838.5	541.3	4,297.2	474.6	3,822.6	3,132.7	558.5	483.8	157.7	326.1	247.8	78.3	19.9	54.8	131.4
1999:I	4,923.1	550.6	4,372.6	469.3	3,903.3	3,183.5	586.6	517.2	158.5	358.6	237.6	121.0	11.4	58.0	133.1
II	4,999.7	564.5	4,453.2	477.3	3,958.0	3,236.5	586.0	538.1	167.2	370.9	256.3	114.6	–8.9	56.9	135.5
III	5,080.6	579.2	4,501.4	482.3	4,019.0	3,295.8	579.1	539.9	167.1	372.8	252.1	120.6	–19.7	58.9	144.1
IV	5,191.9	584.0	4,607.9	501.1	4,106.8	3,352.2	602.0	563.0	173.5	389.5	257.5	132.0	–19.2	58.2	152.6
2000:I	5,300.3	597.5	4,702.7	511.7	4,191.0	3,401.6	632.8	599.9	186.0	413.8	262.5	151.3	–25.0	57.9	156.6
II	5,414.0	613.4	4,800.7	517.8	4,282.9	3,460.0	660.1	620.1	193.5	426.7	264.5	162.2	–13.6	53.7	162.7
III	5,480.1	628.8	4,851.3	520.6	4,330.7	3,510.7	653.0	607.4	188.3	419.2	269.7	149.5	–4.5	50.1	167.0

¹ Indirect business tax and nontax liability plus business transfer payments less subsidies.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-15.—*Output, price, costs, and profits of nonfinancial corporate business, 1959–2000*
[Quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross product of nonfinancial corporate business (billions of dollars)		Price, costs, and profit per unit of real output (dollars)								
			Price per unit of real gross product of nonfinancial corporate business ¹	Com-pen-sation of employ-ees (unit labor cost)	Unit nonlabor cost				Corporate profits with inventory valuation and capital consumption adjustments ³		
	Total	Con-sump-tion of fixed capital			Indirect business taxes ²	Net interest					
							Current dollars	Chained (1996) dollars	Total	Profits tax liability	Profits after tax ⁴
1959	267.3	986.1	0.271	0.174	0.052	0.023	0.026	0.003	0.044	0.021	0.023
1960	278.0	1,018.7	.273	.178	.055	.024	.028	.003	.040	.019	.022
1961	285.5	1,041.5	.274	.178	.056	.024	.028	.004	.040	.019	.022
1962	311.7	1,128.0	.276	.177	.055	.023	.028	.004	.044	.018	.026
1963	331.8	1,194.5	.278	.177	.055	.022	.029	.004	.046	.019	.027
1964	358.2	1,278.5	.280	.177	.055	.022	.029	.004	.048	.019	.030
1965	393.7	1,384.3	.284	.178	.054	.022	.028	.004	.052	.020	.032
1966	431.4	1,480.9	.291	.185	.054	.022	.027	.005	.052	.020	.032
1967	453.9	1,519.2	.299	.192	.058	.024	.028	.006	.049	.018	.030
1968	501.0	1,615.8	.310	.200	.062	.025	.031	.006	.048	.021	.028
1969	543.9	1,680.2	.324	.213	.067	.026	.033	.008	.044	.020	.024
1970	562.0	1,663.3	.338	.227	.074	.029	.035	.010	.036	.016	.019
1971	606.9	1,730.0	.351	.232	.078	.031	.037	.010	.040	.017	.023
1972	673.9	1,865.8	.361	.239	.078	.031	.037	.010	.043	.018	.025
1973	755.6	1,975.4	.382	.255	.082	.032	.039	.011	.045	.020	.024
1974	816.7	1,941.2	.421	.286	.095	.038	.042	.015	.040	.022	.018
1975	883.0	1,910.5	.462	.303	.108	.047	.046	.015	.052	.022	.030
1976	997.1	2,062.3	.484	.318	.107	.048	.046	.013	.058	.026	.032
1977	1,127.8	2,212.7	.510	.334	.111	.050	.047	.014	.064	.027	.037
1978	1,285.0	2,360.3	.544	.361	.117	.054	.048	.015	.066	.028	.038
1979	1,431.5	2,434.2	.588	.397	.130	.060	.051	.019	.062	.029	.033
1980	1,556.6	2,400.4	.648	.440	.153	.071	.058	.024	.055	.028	.027
1981	1,770.1	2,479.5	.714	.472	.176	.079	.068	.029	.066	.026	.041
1982	1,831.4	2,426.6	.755	.501	.193	.089	.070	.034	.060	.019	.041
1983	1,953.3	2,542.0	.768	.503	.192	.089	.073	.030	.073	.023	.050
1984	2,194.8	2,782.4	.789	.511	.191	.085	.074	.032	.087	.026	.061
1985	2,329.3	2,907.9	.801	.523	.193	.087	.075	.031	.084	.024	.060
1986	2,414.4	2,978.9	.811	.538	.202	.091	.078	.033	.071	.025	.045
1987	2,595.3	3,146.6	.825	.545	.200	.090	.077	.033	.079	.030	.049
1988	2,814.5	3,322.1	.847	.555	.205	.091	.077	.037	.087	.031	.056
1989	2,961.4	3,377.5	.877	.576	.223	.096	.082	.045	.078	.029	.049
1990	3,096.2	3,409.2	.908	.602	.230	.099	.085	.046	.076	.028	.048
1991	3,150.6	3,381.9	.932	.617	.240	.105	.093	.042	.075	.025	.049
1992	3,288.0	3,468.4	.948	.633	.236	.107	.096	.033	.080	.026	.054
1993	3,457.6	3,573.8	.967	.641	.236	.108	.098	.030	.091	.029	.062
1994	3,737.2	3,801.5	.983	.639	.238	.109	.101	.028	.106	.034	.072
1995	3,945.9	3,960.1	.996	.645	.239	.110	.100	.029	.112	.035	.077
1996	4,159.5	4,159.5	1.000	.641	.236	.111	.099	.026	.122	.036	.086
1997	4,435.1	4,404.2	1.007	.644	.237	.112	.098	.027	.126	.036	.090
1998	4,728.1	4,679.9	1.010	.653	.239	.113	.098	.028	.120	.034	.086
1999	5,048.8	4,957.1	1.019	.659	.241	.115	.097	.029	.119	.034	.085
1995: I	3,875.9	3,900.4	.994	.646	.240	.109	.101	.030	.108	.034	.073
II	3,911.4	3,927.0	.996	.646	.241	.110	.101	.030	.108	.034	.074
III	3,979.8	3,988.4	.998	.644	.239	.111	.099	.029	.115	.035	.081
IV	4,016.5	4,024.8	.998	.643	.240	.112	.100	.028	.115	.035	.081
1996: I	4,056.5	4,057.3	1.000	.641	.238	.112	.100	.026	.121	.036	.085
II	4,130.9	4,130.3	1.000	.641	.236	.111	.099	.026	.122	.036	.086
III	4,187.6	4,187.0	1.000	.642	.235	.111	.098	.026	.122	.036	.086
IV	4,263.3	4,263.5	1.000	.640	.235	.111	.098	.026	.124	.036	.088
1997: I	4,319.1	4,295.3	1.006	.645	.237	.112	.098	.027	.124	.035	.089
II	4,389.6	4,358.7	1.007	.644	.238	.112	.099	.027	.125	.035	.090
III	4,479.0	4,447.3	1.007	.641	.237	.112	.098	.027	.129	.037	.092
IV	4,552.6	4,515.7	1.008	.646	.237	.112	.097	.028	.126	.036	.090
1998: I	4,619.1	4,580.9	1.008	.650	.236	.112	.097	.027	.121	.034	.087
II	4,681.7	4,640.0	1.009	.652	.238	.112	.098	.028	.119	.034	.084
III	4,773.0	4,718.0	1.012	.653	.237	.113	.096	.028	.122	.035	.087
IV	4,838.5	4,780.7	1.012	.655	.239	.113	.099	.027	.117	.033	.084
1999: I	4,923.1	4,843.5	1.016	.657	.238	.114	.097	.027	.121	.033	.088
II	4,999.7	4,904.4	1.019	.660	.240	.115	.097	.028	.119	.034	.085
III	5,080.6	4,987.0	1.019	.661	.242	.116	.097	.029	.116	.034	.083
IV	5,191.9	5,093.6	1.019	.658	.243	.115	.098	.030	.118	.034	.084
2000: I	5,300.3	5,171.0	1.025	.658	.245	.116	.099	.030	.122	.036	.086
II	5,414.0	5,251.2	1.031	.659	.247	.117	.099	.031	.126	.037	.089
III	5,480.1	5,308.1	1.032	.661	.247	.118	.098	.031	.123	.035	.088

¹The implicit price deflator for gross product of nonfinancial corporate business divided by 100.

²Indirect business tax and nontax liability plus business transfer payments less subsidies.

³Unit profits from current production.

⁴With inventory valuation and capital consumption adjustments.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-16.—*Personal consumption expenditures, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal consumption expenditures	Durable goods			Nondurable goods					Services					
		Total ¹	Motor vehicles and parts	Furniture and household equipment	Total ¹	Food	Clothing and shoes	Gasoline and oil	Fuel oil and coal	Total ¹	Housing ²	Household operation		Transportation	Medical care
												Total ¹	Electricity and gas		
1959: I	318.1	42.7	18.9	18.1	148.5	80.7	26.4	11.3	4.0	127.0	45.0	18.7	7.6	10.5	16.4
1959: II	332.3	43.3	19.7	18.0	152.9	82.3	27.0	12.0	3.8	136.1	48.2	20.3	8.3	11.2	17.6
1959: III	342.7	41.8	17.8	18.3	156.6	84.0	27.6	12.0	3.8	144.3	51.2	21.2	8.8	11.7	18.7
1959: IV	363.8	46.9	21.5	19.3	162.8	86.1	29.0	12.6	3.8	154.1	54.7	22.4	9.4	12.2	20.8
1960: I	383.1	51.6	24.4	20.7	168.2	88.3	29.8	13.0	4.0	163.4	58.0	23.6	9.9	12.7	22.6
1960: II	411.7	56.7	26.0	23.2	178.7	93.6	32.4	13.6	4.1	176.4	61.4	25.0	10.4	13.4	25.8
1960: III	444.3	63.3	29.9	25.1	191.6	100.7	34.1	14.8	4.4	189.5	65.4	26.5	10.9	14.5	27.9
1960: IV	481.8	68.3	30.3	28.2	208.8	109.3	37.4	16.0	4.7	204.7	69.5	28.2	11.5	15.9	30.7
1961: I	508.7	70.4	30.0	30.0	217.1	112.5	39.2	17.1	4.8	221.2	74.1	30.2	12.2	17.3	33.9
1961: II	558.7	80.8	36.1	32.9	235.7	122.2	43.2	18.6	4.7	242.3	79.7	32.4	13.0	18.9	39.2
1961: III	605.5	85.9	38.4	34.7	253.2	131.5	46.5	20.5	4.6	266.4	86.8	35.2	14.1	20.9	44.8
1961: IV	648.9	85.0	35.5	35.7	272.0	143.8	47.8	21.9	4.4	292.0	94.0	37.9	15.3	23.7	50.4
1962: I	702.4	96.9	44.5	37.8	285.5	149.7	51.7	23.2	4.6	320.0	102.7	41.3	16.9	27.1	56.9
1962: II	770.7	110.4	51.1	42.4	308.0	161.4	56.4	24.4	5.1	352.3	112.1	45.7	18.8	29.8	63.9
1962: III	852.5	123.5	56.1	47.9	343.1	179.6	62.5	28.1	6.3	385.9	122.7	50.2	20.4	31.2	71.5
1962: IV	932.4	122.3	49.5	51.5	384.5	201.8	66.0	36.1	7.8	425.5	134.1	56.0	24.0	33.3	80.4
1963: I	1,030.3	133.5	54.8	54.5	420.7	223.2	70.8	39.7	8.4	476.1	147.0	64.3	29.2	35.7	93.4
1963: II	1,149.8	158.9	71.3	60.2	458.3	242.5	76.6	43.0	10.1	532.6	161.5	73.1	33.2	41.3	106.5
1963: III	1,278.4	181.2	83.5	67.2	497.2	262.7	84.1	46.9	11.1	600.0	179.5	82.7	38.5	49.2	122.6
1963: IV	1,430.4	201.7	93.1	74.3	550.2	289.6	94.3	50.1	11.5	678.4	201.7	92.1	43.0	53.5	140.0
1964: I	1,596.3	214.4	93.5	82.7	624.4	324.7	101.2	66.2	14.4	757.4	226.5	101.0	47.8	59.1	158.1
1964: II	1,762.9	214.2	87.0	86.7	696.1	356.0	107.3	86.7	15.4	852.7	255.1	114.2	57.5	64.7	181.2
1964: III	1,944.2	231.3	95.8	92.1	758.9	383.5	117.2	97.9	15.8	954.0	287.7	127.3	64.8	68.7	213.0
1964: IV	2,079.3	240.2	102.9	93.4	877.6	403.4	120.5	94.1	14.5	1,051.5	313.0	143.0	74.2	70.9	239.3
1965: I	2,286.4	281.2	126.9	106.6	931.2	423.8	130.9	93.1	13.6	1,174.0	338.7	157.6	82.4	79.4	267.9
1965: II	2,498.4	326.9	152.5	119.0	884.7	447.4	142.5	94.6	13.9	1,286.9	370.3	169.8	86.5	90.0	292.6
1965: III	2,712.6	363.3	175.7	128.5	928.8	467.6	152.1	97.2	13.6	1,420.6	406.8	182.2	90.8	100.0	324.5
1965: IV	2,895.2	401.3	192.4	143.0	958.5	492.0	163.1	80.1	11.3	1,535.4	442.0	188.9	89.2	107.3	346.8
1966: I	3,105.3	419.7	193.1	153.4	1,015.3	515.3	174.4	85.4	11.2	1,670.3	476.4	196.9	90.9	118.2	381.8
1966: II	3,356.6	450.2	206.1	163.6	1,082.9	553.5	185.5	87.7	11.7	1,823.5	511.9	208.4	96.3	129.9	429.9
1966: III	3,596.7	467.8	211.4	171.4	1,165.4	591.9	198.9	97.0	11.9	1,963.5	546.4	221.3	101.0	136.6	479.2
1966: IV	3,831.5	467.6	206.4	171.4	1,246.1	636.9	204.1	107.3	12.9	2,117.8	585.6	227.6	101.0	141.8	540.6
1967: I	3,971.2	443.0	182.8	171.5	1,278.8	657.6	208.7	102.5	12.4	2,249.4	616.0	238.6	107.4	142.8	591.0
1967: II	4,209.7	470.8	200.2	178.7	1,322.9	669.3	221.9	104.9	12.2	2,415.9	641.3	248.3	108.9	155.0	652.6
1967: III	4,454.7	513.4	222.1	192.4	1,375.2	697.9	231.1	106.6	12.9	2,566.1	666.5	268.9	118.6	166.2	700.6
1967: IV	4,716.4	560.8	242.3	211.2	1,438.0	728.2	240.7	109.0	13.5	2,717.6	704.7	284.0	119.8	180.9	737.3
1968: I	4,969.0	589.7	249.3	225.0	1,497.3	755.8	247.8	113.3	14.1	2,882.0	740.8	298.1	122.5	197.7	780.7
1968: II	5,237.5	616.5	256.3	236.9	1,574.1	786.0	258.6	124.2	15.6	3,047.0	772.5	317.3	128.7	214.2	814.4
1968: III	5,529.3	642.5	264.2	248.9	1,641.6	812.2	271.7	128.1	15.1	3,245.2	810.5	333.0	130.4	234.4	854.6
1968: IV	5,850.9	693.9	288.8	266.1	1,707.6	845.8	286.4	115.2	12.8	3,449.3	858.2	345.6	128.5	244.5	898.6
1969: I	6,268.7	761.3	320.7	288.5	1,845.5	897.8	307.0	128.3	14.4	3,661.9	906.2	360.2	128.9	256.5	943.6
1969: II	4,868.6	578.2	245.0	220.4	1,475.8	745.5	244.5	113.9	13.2	2,814.7	727.7	287.8	116.2	190.4	767.6
1969: III	4,943.7	584.4	248.2	221.9	1,492.2	753.6	246.0	114.3	14.4	2,867.1	736.9	295.7	121.8	195.5	776.2
1969: IV	5,005.2	596.2	252.3	227.0	1,502.6	758.8	249.3	112.7	14.2	2,906.3	744.9	304.6	127.3	200.8	784.8
1970: I	5,058.4	600.0	251.7	231.0	1,518.5	765.3	251.2	112.2	14.6	2,939.9	753.7	304.2	124.7	204.2	794.3
1970: II	5,130.5	606.4	256.3	230.4	1,539.6	773.9	253.0	117.7	16.1	2,984.4	760.4	314.6	131.3	206.5	798.2
1970: III	5,218.0	621.3	259.2	238.2	1,569.4	781.8	259.0	127.0	15.1	3,027.4	768.1	318.3	130.0	211.7	810.7
1970: IV	5,263.7	616.7	255.4	237.7	1,578.8	788.8	259.3	123.3	15.0	3,068.2	776.6	313.4	124.6	215.9	817.9
1971: I	5,337.9	621.5	254.2	241.2	1,608.4	799.3	263.0	128.6	16.0	3,107.9	785.1	322.7	129.1	222.6	831.0
1971: II	5,429.9	635.1	264.5	243.1	1,626.8	806.9	266.6	132.0	15.3	3,168.0	794.6	325.9	128.7	229.1	839.6
1971: III	5,470.8	624.4	251.0	246.4	1,627.3	808.2	267.8	125.1	15.3	3,219.1	805.0	329.0	128.8	232.9	850.0
1971: IV	5,575.9	652.4	270.1	251.4	1,653.1	817.4	274.8	127.3	15.1	3,270.4	815.7	332.9	128.1	236.2	860.8
1972: I	5,640.6	658.3	271.0	254.9	1,659.0	816.2	277.6	128.1	14.6	3,323.3	826.7	344.4	135.8	239.5	868.1
1972: II	5,712.6	670.5	275.2	260.2	1,672.5	825.4	282.3	119.5	12.8	3,369.7	839.3	336.6	125.0	240.9	885.4
1972: III	5,811.4	689.3	288.9	262.5	1,694.8	838.9	285.1	115.7	13.1	3,427.4	852.2	346.7	131.8	244.0	893.9
1972: IV	5,893.4	692.5	283.5	268.3	1,717.9	851.5	286.5	114.0	13.0	3,482.9	864.4	353.7	134.1	245.8	902.5
1973: I	5,986.0	723.4	307.7	273.2	1,745.2	867.2	291.7	111.8	12.3	3,517.4	877.1	345.4	122.9	247.4	912.4
1973: II	6,095.3	733.9	307.6	279.4	1,786.4	878.1	301.1	110.7	12.9	3,575.0	888.7	353.9	127.5	250.8	924.5
1973: III	6,213.2	756.3	321.8	284.7	1,825.3	886.6	306.1	127.3	14.0	3,631.5	900.8	357.2	127.4	254.7	935.9
1973: IV	6,319.9	767.2	323.2	291.0	1,860.0	900.4	308.7	133.4	15.1	3,692.7	911.6	366.7	133.7	258.1	950.0
1974: I	6,446.2	787.6	330.3	298.8	1,910.2	926.1	311.9	142.0	15.6	3,748.5	923.5	363.0	126.7	262.3	964.0
1974: II	6,621.7	826.3	349.3	309.7	1,963.9	938.4	323.1	154.5	18.5	3,831.6	936.7	369.0	129.5	267.4	979.3
1974: III	6,706.3	814.3	335.5	311.1	1,997.6	948.3	325.6	163.3	18.7	3,894.4	950.0	380.6	138.4	272.8	989.6
1974: IV	6,810.8	824.7	341.4	314.1	2,031.5	959.9	330.9	165.5	20.3	3,954.6	962.2	385.7	141.1	275.5	1,005.6

¹ Includes other items not shown separately.² Includes imputed rental value of owner-occupied housing.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-17.—*Real personal consumption expenditures, 1987–2000*

[Billions of chained (1996) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal consumption expenditures	Durable goods			Nondurable goods					Services					
		Total ¹	Motor vehicles and parts	Furniture and household equipment	Total ¹	Food	Clothing and shoes	Gasoline and oil	Fuel oil and coal	Total ¹	Housing ²	Household operation		Transportation	Medical care
												Total ¹	Electricity and gas		
1987	4,113.4	455.2	242.4	133.3	1,274.5	664.6	182.4	112.8	14.2	2,379.3	644.8	238.0	106.9	164.6	631.0
1988	4,279.5	481.5	254.9	142.3	1,315.1	690.7	187.8	114.9	14.7	2,477.2	663.4	248.2	112.3	172.8	659.9
1989	4,393.7	491.7	253.9	149.9	1,351.0	703.5	198.6	116.4	14.4	2,546.0	679.9	257.2	114.7	174.6	678.5
1990	4,474.5	487.1	246.1	150.9	1,369.6	722.4	197.2	113.1	13.1	2,616.2	696.2	259.8	112.8	173.4	710.9
1991	4,466.6	454.9	211.8	152.7	1,364.0	721.4	197.8	109.4	12.9	2,651.8	709.8	262.9	116.3	164.7	734.4
1992	4,594.5	479.0	225.7	161.5	1,389.7	725.6	208.8	112.5	13.2	2,729.7	719.3	267.6	115.7	171.1	765.4
1993	4,748.9	518.3	242.2	177.4	1,430.3	745.1	218.5	115.4	14.0	2,802.5	728.1	282.3	122.2	176.6	775.4
1994	4,928.1	557.7	255.1	196.3	1,485.1	764.9	231.6	117.4	15.0	2,886.2	749.1	293.0	122.8	189.0	783.1
1995	5,075.6	583.5	253.4	215.4	1,529.0	777.0	244.3	120.2	15.7	2,963.4	763.7	304.0	125.3	201.0	797.7
1996	5,237.5	616.5	256.3	236.9	1,574.1	786.0	258.6	124.2	15.6	3,047.0	772.6	317.3	128.7	214.2	814.4
1997	5,423.9	657.3	264.8	261.9	1,619.9	794.5	271.6	128.1	15.0	3,147.0	787.2	327.4	127.5	226.4	835.4
1998	5,678.7	727.3	291.7	294.4	1,684.8	812.8	292.2	131.2	14.0	3,269.4	807.7	343.0	130.0	233.1	859.8
1999	5,978.8	817.8	323.0	338.7	1,779.4	845.9	318.5	134.2	15.5	3,390.8	828.3	358.0	130.9	241.2	881.7
1995:I	5,011.6	570.4	250.7	207.7	1,514.3	773.4	240.1	119.5	14.8	2,927.3	759.8	293.9	118.8	196.7	791.1
1995:II	5,059.6	577.4	252.2	211.1	1,525.3	776.0	242.4	120.0	16.1	2,957.4	762.6	302.2	125.1	198.8	795.6
1995:III	5,099.2	590.7	256.4	218.1	1,531.7	778.0	246.3	120.0	15.7	2,977.0	764.9	310.5	130.3	202.5	799.8
1995:IV	5,132.1	595.7	254.4	224.6	1,544.6	780.6	248.4	121.5	16.3	2,992.0	767.6	309.3	127.2	206.0	804.5
1996:I	5,174.3	601.7	257.0	226.1	1,553.9	784.5	250.7	121.9	16.6	3,018.8	768.7	317.6	132.8	210.2	804.1
1996:II	5,229.5	620.4	259.6	237.2	1,569.9	785.5	257.8	124.4	15.3	3,039.2	770.8	319.1	130.5	212.7	812.7
1996:III	5,254.3	618.1	255.2	238.7	1,578.6	785.3	261.6	124.5	15.5	3,057.7	773.6	312.3	123.8	215.3	816.3
1996:IV	5,291.9	625.7	253.4	245.5	1,593.9	788.5	264.3	125.9	14.9	3,072.2	777.0	320.1	127.9	218.5	824.6
1997:I	5,350.7	641.5	262.9	250.5	1,605.6	794.0	267.1	126.6	14.2	3,103.7	781.1	319.6	124.6	223.6	825.9
1997:II	5,375.7	636.5	250.8	257.6	1,608.2	792.8	265.2	128.3	15.2	3,130.6	784.7	324.1	126.8	225.3	832.5
1997:III	5,462.1	670.5	271.8	266.5	1,631.7	797.8	275.0	128.7	15.4	3,160.6	789.1	327.7	125.9	227.8	839.3
1997:IV	5,507.1	680.9	273.7	273.2	1,634.1	793.2	279.1	128.9	15.1	3,193.0	793.9	338.4	132.9	228.8	844.0
1998:I	5,572.4	696.4	278.3	281.9	1,652.8	798.3	287.0	129.4	13.6	3,224.5	800.0	333.9	125.5	230.4	855.2
1998:II	5,651.6	719.4	292.6	286.9	1,676.3	809.2	291.3	130.7	14.1	3,258.2	806.1	343.1	132.6	233.4	857.7
1998:III	5,711.0	726.7	284.9	299.1	1,694.2	816.8	292.0	132.2	14.3	3,292.4	810.3	351.3	136.2	233.7	861.5
1998:IV	5,779.8	766.7	311.1	309.9	1,716.0	827.0	298.7	132.2	14.0	3,302.8	814.4	343.6	125.8	235.1	864.8
1999:I	5,860.2	782.7	311.0	320.9	1,748.5	832.7	313.3	132.5	15.0	3,335.8	820.4	351.9	130.3	237.3	870.5
1999:II	5,940.2	810.5	325.3	331.7	1,765.0	838.0	316.5	134.3	15.7	3,373.4	825.7	355.9	130.2	239.7	878.1
1999:III	6,013.8	826.2	324.9	343.9	1,786.1	846.7	322.1	133.6	16.0	3,411.1	830.7	364.7	135.5	242.7	885.6
1999:IV	6,101.0	851.8	330.9	358.2	1,818.1	866.0	322.1	136.2	15.3	3,443.0	836.5	359.3	127.7	245.0	892.8
2000:I	6,213.5	898.2	351.8	374.1	1,844.8	872.2	337.7	131.2	14.7	3,487.2	841.4	364.7	130.0	247.5	897.4
2000:II	6,260.6	886.7	335.9	379.3	1,861.1	876.5	342.3	132.2	15.3	3,526.7	847.0	374.8	136.5	249.9	903.8
2000:III	6,329.8	903.2	342.0	387.2	1,882.6	879.1	350.2	133.8	15.8	3,559.3	851.7	375.2	133.9	250.8	909.1

¹ Includes other items not shown separately.² Includes imputed rental value of owner-occupied housing.

Note.—See Table B-2 for data for total personal consumption expenditures for 1959-86.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-18.—*Private fixed investment by type, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Private fixed investment	Nonresidential											Residential	
		Total non-residential	Structures					Equipment and software						
			Total ¹	Non-residential buildings including farm	Utilities	Mining exploration, shafts, and wells	Total ¹	Information processing equipment and software				Industrial equipment	Transportation equipment	
								Total	Computers and peripheral equipment ²	Software ³	Other			
1959	74.6	46.5	18.1	10.6	4.9	2.5	28.4	4.0	0.0	0.0	4.0	8.4	8.3	28.1
1960	75.7	49.4	19.6	12.0	5.0	2.3	29.8	4.9	.2	.1	4.5	9.3	8.5	26.3
1961	75.2	48.8	19.7	12.7	4.6	2.3	29.1	5.2	.3	.2	4.8	8.7	8.0	26.4
1962	82.0	53.1	20.8	13.7	4.6	2.5	32.3	5.7	.3	.2	5.1	9.2	9.8	29.0
1963	88.1	56.0	21.2	13.9	5.0	2.3	34.8	6.5	.7	.4	5.3	10.0	9.4	32.1
1964	97.2	63.0	23.7	15.8	5.4	2.4	39.2	7.3	.9	.5	5.8	11.4	10.6	34.3
1965	109.0	74.8	28.3	19.5	6.1	2.4	46.5	8.5	1.2	.7	6.6	13.6	13.2	34.2
1966	117.7	85.4	31.3	21.3	7.1	2.5	54.0	10.6	1.7	1.0	7.9	16.1	14.5	32.3
1967	118.7	86.4	31.5	20.6	7.8	2.4	54.9	11.2	1.9	1.2	8.1	16.8	14.3	32.4
1968	132.1	93.4	33.6	21.1	9.2	2.6	59.9	11.9	1.9	1.3	8.6	17.2	17.6	38.7
1969	147.3	104.7	37.7	24.4	9.6	2.8	67.0	14.6	2.4	1.8	10.4	18.9	18.9	42.6
1970	150.4	109.0	40.3	25.4	11.1	2.8	68.7	16.7	2.7	2.3	11.6	20.2	16.2	41.4
1971	169.9	114.1	42.7	27.1	11.9	2.7	71.5	17.3	2.8	2.4	12.1	19.4	18.4	55.8
1972	198.5	128.8	47.2	30.1	13.1	3.1	81.7	19.3	3.5	2.8	13.1	21.3	21.8	69.7
1973	228.6	153.3	55.0	35.5	15.0	3.5	98.3	23.0	3.5	3.2	16.3	25.9	26.6	75.3
1974	235.4	169.5	61.2	38.3	16.5	5.2	108.2	26.8	3.9	3.9	19.0	30.5	26.3	66.0
1975	236.5	173.7	61.4	35.6	17.1	7.4	112.4	28.2	3.6	4.8	19.9	31.1	25.2	62.7
1976	274.8	192.4	65.9	35.9	20.0	8.6	126.4	32.4	4.4	5.2	22.8	33.9	30.0	82.5
1977	339.0	228.7	74.6	39.9	21.5	11.5	154.1	38.6	5.7	5.5	27.5	39.2	39.3	110.3
1978	410.2	278.6	91.4	49.7	24.1	15.4	187.2	48.3	7.6	6.6	34.2	47.4	47.3	131.6
1979	472.7	331.6	114.9	65.7	27.5	19.0	216.7	58.6	10.2	8.7	39.8	55.9	53.6	141.0
1980	484.2	360.9	133.9	73.7	30.2	27.4	227.0	69.6	12.5	10.7	46.4	60.4	48.4	123.2
1981	541.0	418.4	164.6	86.3	33.0	42.5	253.8	82.4	17.1	12.9	52.3	65.2	50.6	122.6
1982	531.0	425.3	175.0	94.5	32.5	44.8	250.3	88.9	18.9	15.4	54.6	62.3	46.8	105.7
1983	570.0	417.4	152.7	90.5	28.7	30.0	264.7	100.8	23.9	18.0	58.9	58.4	53.7	152.5
1984	670.1	490.3	176.0	110.0	30.0	31.3	314.3	121.7	31.6	22.1	68.0	67.6	64.8	179.8
1985	714.5	527.6	193.3	128.0	30.6	27.9	334.3	130.8	33.7	25.6	71.5	71.9	69.7	186.9
1986	740.7	522.5	175.8	123.3	31.2	15.7	346.8	137.6	33.4	27.8	76.4	74.8	71.8	218.1
1987	754.3	526.7	172.1	126.0	26.5	13.1	354.7	141.9	35.8	31.4	74.8	76.1	70.4	227.6
1988	802.7	568.4	181.6	133.8	26.6	15.7	386.8	155.9	38.0	36.7	81.2	83.5	76.1	234.2
1989	845.2	613.4	193.4	142.7	29.5	14.9	420.0	173.0	43.1	44.4	85.5	92.7	71.4	231.8
1990	847.2	630.3	202.5	149.1	28.4	17.9	427.8	176.1	38.6	50.2	87.3	91.5	75.7	216.8
1991	800.4	608.9	183.4	124.2	33.7	18.5	425.4	181.4	37.7	56.6	87.1	88.7	79.5	191.5
1992	851.6	626.1	172.2	113.2	36.7	14.2	453.9	197.5	43.6	60.8	93.1	92.4	86.1	225.5
1993	934.0	682.2	179.4	119.3	34.8	17.7	502.8	215.0	47.2	69.4	98.4	101.8	98.1	251.8
1994	1,034.6	748.6	187.5	129.0	34.0	17.4	561.1	233.7	51.3	75.5	106.9	113.3	117.8	286.0
1995	1,110.7	825.1	204.6	144.3	35.8	17.2	620.5	262.0	64.6	83.5	113.8	128.7	126.1	285.6
1996	1,212.7	899.4	225.0	161.7	36.0	21.1	674.4	287.3	70.9	95.1	121.3	136.4	138.9	313.3
1997	1,327.7	999.4	255.8	182.7	36.1	30.1	743.6	325.2	79.6	116.5	129.2	141.0	151.4	328.2
1998	1,472.9	1,107.5	283.2	202.3	44.5	29.3	824.3	367.4	84.9	144.1	138.4	148.9	168.2	365.4
1999	1,606.8	1,203.1	285.6	208.5	45.0	24.3	917.4	433.0	94.3	180.1	158.6	150.7	193.5	403.8
1995:I	1,100.1	812.5	200.5	140.2	35.4	17.6	612.0	250.5	57.7	78.8	114.0	124.7	134.0	287.6
1995:II	1,097.2	820.3	204.8	144.7	36.1	16.5	615.5	261.1	64.3	81.8	115.0	128.9	122.4	276.9
1995:III	1,110.1	825.2	206.2	145.2	36.2	17.0	619.0	263.1	65.6	85.0	112.5	130.8	121.8	284.9
1995:IV	1,135.4	842.3	207.0	147.2	35.5	17.8	635.3	273.2	70.7	88.6	113.9	130.4	126.4	293.1
1996:I	1,165.6	865.1	213.4	151.8	35.8	19.0	651.7	280.0	70.5	91.7	117.8	135.0	129.1	300.5
1996:II	1,201.7	885.4	220.0	157.4	35.5	20.7	665.4	283.4	69.6	94.0	119.8	137.7	134.6	316.3
1996:III	1,232.6	913.6	226.3	163.2	35.5	21.6	687.3	290.9	71.6	96.1	123.2	135.9	146.5	319.0
1996:IV	1,250.9	933.7	240.3	174.2	37.3	23.0	693.4	294.8	71.7	98.9	124.2	137.2	145.5	317.2
1997:I	1,275.5	955.5	246.9	178.5	34.9	27.8	708.6	307.0	74.8	106.2	126.0	135.7	145.3	320.0
1997:II	1,310.0	984.3	247.7	177.1	35.2	29.5	736.6	319.0	78.8	113.5	126.7	141.0	151.7	325.7
1997:III	1,355.8	1,026.0	260.6	187.6	36.4	30.1	765.4	335.5	83.0	120.1	132.4	142.9	157.8	329.8
1997:IV	1,369.3	1,031.8	267.9	187.4	37.8	32.8	764.0	339.5	81.9	126.0	131.6	144.5	150.9	337.5
1998:I	1,419.7	1,073.0	275.1	194.6	42.9	30.7	797.9	353.5	85.4	131.9	136.3	147.0	161.1	346.7
1998:II	1,465.4	1,105.8	286.3	202.1	44.4	32.4	819.5	362.9	85.5	140.0	137.4	148.6	166.7	359.6
1998:III	1,482.4	1,110.5	283.9	202.6	45.2	29.2	826.6	371.3	84.0	148.5	138.8	149.7	162.6	371.9
1998:IV	1,524.1	1,140.7	287.6	209.9	45.6	24.9	853.1	381.8	85.0	155.9	141.0	150.2	182.3	383.4
1999:I	1,560.6	1,165.3	287.2	212.9	44.7	22.3	878.1	401.7	88.1	165.4	148.2	146.5	185.5	395.3
1999:II	1,593.4	1,188.0	283.7	207.7	44.5	23.2	904.3	423.6	92.8	173.3	157.5	148.3	191.6	405.4
1999:III	1,622.4	1,216.8	281.2	204.7	45.1	23.8	935.6	445.5	97.6	184.7	163.2	151.8	200.3	405.6
1999:IV	1,651.0	1,242.2	290.4	208.7	45.8	27.8	951.8	461.4	98.9	196.8	165.7	156.3	196.5	408.8
2000:I	1,725.8	1,308.5	308.9	224.5	47.1	29.8	999.6	495.3	104.3	210.5	180.6	162.7	198.7	417.3
2000:II	1,780.5	1,359.2	315.1	229.3	45.4	33.2	1,044.1	527.5	113.6	224.5	189.3	168.0	201.6	421.3
2000:III	1,803.0	1,390.6	330.1	235.0	48.5	37.6	1,060.5	548.6	120.3	238.4	189.9	171.8	193.8	412.4

¹ Includes other items, not shown separately.² Includes new computers and peripheral equipment only.³ Excludes software "embedded," or bundled, in computers and other equipment.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-19.—*Real private fixed investment by type, 1987–2000*

[Billions of chained (1996) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Private fixed investment	Nonresidential												Residential
		Total non-residential	Structures				Equipment and software							
			Total ¹	Non-residential buildings including farm	Utilities	Mining exploration, shafts, and wells	Total ¹	Information processing equipment and software			Industrial equipment	Transportation equipment		
								Total	Com-puters and peripheral equip-ment ²	Soft-ware ³			Other	
1987	856.0	572.5	224.3	162.6	34.9	18.6	360.0	105.1	10.3	27.9	78.0	99.9	88.0	290.7
1988	887.1	603.6	227.1	166.5	33.6	20.4	386.9	116.4	11.8	32.4	83.5	104.9	93.6	289.2
1989	911.2	637.0	232.7	171.4	35.4	18.4	414.0	131.3	14.4	40.1	86.8	112.4	84.9	277.3
1990	894.6	641.7	236.1	173.6	33.0	21.3	415.7	136.4	14.2	45.9	87.6	105.8	87.4	253.5
1991	832.5	610.1	210.1	142.7	38.9	20.8	407.2	142.7	15.4	51.4	86.4	99.0	87.7	221.1
1992	886.5	630.6	197.3	129.2	41.8	17.2	437.5	163.0	20.8	58.7	91.5	100.8	92.3	257.2
1993	958.4	683.6	198.9	131.7	38.4	20.5	487.1	183.4	26.4	66.8	96.4	109.6	103.4	276.0
1994	1,045.9	744.6	200.5	137.2	36.1	19.8	544.9	206.6	32.6	74.3	104.9	119.6	120.4	302.7
1995	1,109.2	817.5	210.1	147.6	36.8	18.2	607.6	242.8	49.2	82.0	113.1	131.3	128.2	291.7
1996	1,212.7	899.4	225.0	161.7	36.0	21.1	674.4	287.3	70.9	95.1	121.3	136.4	138.9	313.3
1997	1,328.6	1,009.3	245.4	177.0	35.3	26.2	764.2	349.8	102.9	119.0	129.8	140.0	150.5	319.7
1998	1,485.3	1,140.3	263.0	189.1	43.0	24.4	879.0	431.6	149.3	151.0	140.7	146.9	168.0	346.1
1999	1,621.4	1,255.3	259.2	187.4	43.5	21.5	1,003.1	542.2	217.3	188.0	163.1	147.8	191.8	368.3
1995:I	1,101.9	806.4	208.1	144.5	36.9	19.1	598.5	227.5	40.5	77.5	112.8	129.3	137.3	295.8
1995:II	1,095.0	811.4	211.0	148.3	37.3	17.6	600.7	239.2	47.0	80.1	113.9	131.8	124.7	283.5
1995:III	1,107.1	816.7	210.9	148.1	37.0	17.9	606.0	245.0	50.8	83.3	111.9	132.7	123.3	290.4
1995:IV	1,132.7	835.5	210.4	149.4	36.0	18.4	625.0	259.4	58.4	87.2	113.8	131.6	127.5	297.3
1996:I	1,165.2	861.6	215.9	153.4	36.1	19.6	645.8	271.7	63.1	90.7	117.8	135.6	130.2	303.6
1996:II	1,203.7	885.6	221.3	158.3	35.7	21.0	664.3	281.4	67.9	93.6	119.7	138.0	134.7	318.1
1996:III	1,231.6	914.3	225.4	162.4	35.5	21.5	688.9	293.6	73.9	96.4	123.3	135.7	145.8	317.3
1996:IV	1,250.2	936.2	237.3	172.4	36.8	22.3	698.8	302.4	78.5	99.8	124.3	136.5	144.9	314.0
1997:I	1,275.4	960.8	241.1	175.4	34.4	25.5	719.6	320.9	87.2	107.7	126.5	134.9	144.5	314.7
1997:II	1,311.1	992.7	239.3	172.8	34.4	26.1	753.7	339.4	98.1	115.3	127.4	140.2	150.8	318.7
1997:III	1,356.7	1,037.0	248.5	180.9	35.5	25.7	788.9	363.7	110.5	123.0	132.8	141.8	156.2	320.3
1997:IV	1,371.3	1,047.0	252.7	178.8	36.7	27.4	794.5	375.2	115.8	130.1	132.5	143.2	150.3	324.9
1998:I	1,427.4	1,096.0	257.5	184.5	41.5	25.1	839.4	401.4	131.8	137.8	137.7	145.5	161.1	332.4
1998:II	1,477.6	1,136.4	266.2	190.1	43.0	26.2	871.3	422.2	144.0	146.7	139.7	146.9	167.1	342.4
1998:III	1,496.4	1,146.3	263.0	188.6	43.6	24.6	885.2	440.7	153.4	155.7	141.6	147.6	162.3	350.9
1998:IV	1,539.7	1,182.3	265.1	193.2	44.0	21.7	920.0	462.0	168.0	163.9	143.9	147.7	181.6	358.5
1999:I	1,574.0	1,209.4	262.9	193.6	43.3	19.7	950.9	492.9	186.1	173.3	151.4	143.7	183.1	365.7
1999:II	1,607.1	1,237.5	258.7	187.7	43.2	20.6	985.0	526.9	208.5	181.1	161.3	145.7	189.0	370.9
1999:III	1,637.8	1,272.5	254.6	183.2	43.6	21.3	1,026.6	561.1	230.9	192.5	168.1	148.9	199.1	368.0
1999:IV	1,666.6	1,301.8	260.6	185.1	44.0	24.6	1,050.1	587.9	243.8	205.3	171.6	152.8	195.9	368.5
2000:I	1,730.9	1,365.3	274.0	196.5	44.9	26.1	1,100.4	629.4	264.1	215.0	187.3	158.9	197.3	371.4
2000:II	1,777.6	1,412.5	277.0	199.5	42.8	28.4	1,146.6	669.1	297.3	224.5	196.6	164.0	199.2	372.6
2000:III	1,791.3	1,438.8	286.6	202.7	45.6	30.5	1,162.4	695.6	324.3	234.3	197.5	167.4	190.6	362.3

¹ Includes other items, not shown separately.² Includes new computers and peripheral equipment only.³ Excludes software "embedded," or bundled, in computers and other equipment.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-20.—*Government consumption expenditures and gross investment by type, 1959–2000*
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Government consumption expenditures and gross investment															
	Total	Federal								State and local						
		Total	National defense				Nondefense				Total	Con- sump- tion ex- pend- itures	Gross investment			
			Total	Con- sump- tion ex- pend- itures	Gross investment		Total	Con- sump- tion ex- pend- itures	Gross investment				Struc- tures	Equip- ment and soft- ware		
					Struc- tures	Equip- ment and soft- ware			Struc- tures	Equip- ment and soft- ware						
1959	112.5	67.4	56.0	42.2	2.5	11.2	11.4	9.8	1.5	0.2	45.1	31.1	12.8	1.1		
1960	113.8	65.9	55.2	42.8	2.2	10.1	10.7	8.7	1.7	.3	47.9	34.0	12.7	1.2		
1961	121.5	69.5	58.1	44.3	2.4	11.5	11.3	8.9	1.9	.6	52.0	37.0	13.8	1.3		
1962	132.2	76.9	62.8	48.3	2.0	12.5	14.1	11.2	2.1	.8	55.3	39.4	14.5	1.3		
1963	138.5	78.5	62.7	50.1	1.6	11.0	15.8	12.3	2.3	1.2	59.9	42.4	16.0	1.5		
1964	145.1	79.8	61.8	50.3	1.3	10.2	18.0	13.9	2.5	1.6	65.3	46.3	17.2	1.8		
1965	153.7	82.1	62.4	52.4	1.1	8.9	19.7	15.0	2.8	1.9	71.6	50.8	19.0	1.9		
1966	174.3	94.4	73.8	61.4	1.3	11.1	20.7	15.8	2.8	2.1	79.9	56.8	21.0	2.1		
1967	195.3	106.8	85.8	71.5	1.2	13.1	21.0	16.9	2.2	1.9	88.6	63.2	23.0	2.3		
1968	212.8	114.0	92.2	79.0	1.2	11.9	21.8	18.0	2.1	1.7	98.8	71.1	25.2	2.4		
1969	224.6	116.1	92.6	80.1	1.5	11.0	23.5	19.9	1.9	1.7	108.5	80.2	25.6	2.7		
1970	237.1	116.4	90.9	78.7	1.3	10.9	25.5	21.7	2.1	1.7	120.7	92.0	25.8	3.0		
1971	251.0	117.6	89.0	79.3	1.8	7.9	28.6	24.4	2.5	1.7	133.5	103.4	27.0	3.1		
1972	270.1	125.6	93.5	82.3	1.8	9.4	32.2	27.6	2.7	1.8	144.4	113.8	27.1	3.5		
1973	287.9	127.8	93.9	82.6	2.1	9.2	33.9	29.0	3.1	1.8	160.1	126.9	29.1	4.1		
1974	322.4	138.2	99.7	87.5	2.2	10.1	38.5	32.9	3.4	2.2	184.2	144.5	34.7	4.9		
1975	361.1	152.1	107.9	93.4	2.3	12.1	44.2	37.7	4.1	2.4	209.0	165.4	38.1	5.5		
1976	384.5	160.6	113.2	97.9	2.1	13.2	47.4	40.1	4.6	2.7	223.9	180.1	38.1	5.7		
1977	415.3	176.0	122.6	105.8	2.4	14.4	53.5	45.5	5.0	3.0	239.3	196.5	36.9	5.9		
1978	455.6	191.9	132.0	114.2	2.5	15.3	59.8	50.1	6.1	3.7	263.8	214.3	42.8	6.6		
1979	503.5	211.6	146.7	125.3	2.5	18.9	65.0	54.7	6.3	4.0	291.8	235.0	49.0	7.8		
1980	569.7	245.3	169.6	145.3	3.2	21.1	75.6	63.6	7.1	4.9	324.4	260.5	55.1	8.9		
1981	631.4	281.8	197.8	168.9	3.2	25.7	84.0	71.0	7.7	5.3	349.6	284.6	55.4	9.5		
1982	684.4	312.8	228.3	193.6	4.0	30.8	84.5	71.7	6.8	6.0	371.6	306.8	54.2	10.6		
1983	735.9	344.4	252.5	210.6	4.8	37.1	92.0	77.4	6.7	7.8	391.5	325.1	54.2	12.2		
1984	800.8	376.4	283.5	234.9	4.9	43.8	92.8	77.1	7.0	8.7	424.4	349.5	60.5	14.4		
1985	878.3	413.4	312.4	254.9	6.2	51.3	101.0	84.1	7.3	9.6	464.9	380.5	67.6	16.8		
1986	942.3	438.7	332.2	269.3	6.8	56.1	106.5	89.0	8.0	9.5	503.6	410.8	74.2	18.6		
1987	997.9	460.4	351.2	284.8	7.7	58.8	109.3	89.9	9.0	10.4	537.5	439.0	78.8	19.6		
1988	1,036.9	462.6	355.9	294.6	7.4	53.9	106.8	88.2	6.8	11.7	574.3	467.9	84.8	21.5		
1989	1,100.2	482.6	363.2	300.5	6.4	56.3	119.3	99.1	6.9	13.4	617.7	503.0	88.7	26.0		
1990	1,181.4	508.4	374.9	308.9	6.1	59.8	133.6	111.0	8.0	14.6	673.0	545.8	98.5	28.7		
1991	1,235.5	527.4	384.5	321.1	4.6	58.8	142.9	118.1	9.2	15.7	708.1	576.1	103.2	28.9		
1992	1,270.5	534.5	378.5	316.9	5.2	56.3	156.0	128.8	10.3	16.9	736.0	601.6	104.2	30.1		
1993	1,293.0	527.3	364.9	309.2	5.1	50.7	162.4	133.4	11.2	17.7	765.7	629.5	104.5	31.7		
1994	1,327.9	521.1	355.1	301.1	5.7	48.3	165.9	138.6	10.5	16.8	806.8	662.6	108.7	35.5		
1995	1,372.0	521.5	350.6	297.5	6.3	46.9	170.9	141.8	10.8	18.4	850.5	694.7	117.3	38.6		
1996	1,421.9	531.6	357.0	302.4	6.7	47.9	174.6	142.9	11.1	20.5	890.4	726.5	122.5	41.3		
1997	1,487.9	538.2	352.6	304.2	5.7	42.7	185.6	152.7	9.7	23.2	949.7	766.4	139.3	44.0		
1998	1,540.9	540.6	349.2	299.7	5.4	44.0	191.4	154.0	11.1	26.3	1,000.3	808.4	144.0	48.0		
1999	1,634.4	568.6	365.0	311.2	5.3	48.5	203.5	159.6	11.0	33.0	1,065.8	855.0	157.5	53.4		
1995:I	1,360.6	523.4	352.2	298.2	6.8	47.2	171.2	141.0	11.4	18.8	837.1	685.0	115.0	37.2		
1995:II	1,374.9	525.5	353.9	299.3	6.0	48.6	171.6	142.0	10.7	18.9	849.4	692.6	118.6	38.2		
1995:III	1,378.3	525.0	352.7	301.2	5.9	45.6	172.3	143.3	11.0	17.9	853.3	697.3	117.1	38.9		
1995:IV	1,374.5	512.3	343.6	291.2	6.4	46.0	168.7	140.6	10.1	17.9	862.2	703.8	118.5	39.9		
1996:I	1,402.6	530.6	356.1	298.4	6.7	51.0	174.5	143.4	11.2	19.8	872.0	712.5	119.1	40.5		
1996:II	1,423.0	537.2	361.3	304.1	7.2	50.0	175.9	142.9	12.0	21.1	885.7	723.0	121.8	41.0		
1996:III	1,423.4	529.1	355.6	301.4	6.5	47.7	173.5	141.5	11.4	20.5	894.3	730.6	122.1	41.6		
1996:IV	1,438.9	529.4	355.0	305.6	6.4	43.0	174.5	143.8	10.0	20.7	909.4	740.0	127.1	42.3		
1997:I	1,459.2	529.2	346.4	301.1	5.9	39.4	182.8	150.2	10.2	22.4	930.0	751.9	135.4	42.7		
1997:II	1,486.3	543.4	355.0	308.0	5.6	41.4	188.4	153.5	9.9	25.0	942.9	760.0	139.4	43.6		
1997:III	1,498.0	541.3	354.7	304.1	5.7	44.9	186.6	153.3	10.4	22.8	956.6	770.7	141.6	44.4		
1997:IV	1,508.2	538.9	354.4	303.6	5.7	45.1	184.5	153.6	8.4	22.5	969.3	783.2	141.0	45.1		
1998:I	1,507.6	528.0	338.6	291.9	5.6	41.2	189.3	153.7	10.8	24.9	979.6	792.2	141.1	46.3		
1998:II	1,538.6	544.9	349.3	301.2	5.0	43.1	195.6	156.3	10.8	28.5	993.7	803.5	142.8	47.5		
1998:III	1,550.3	541.4	355.0	301.7	5.9	47.4	186.4	149.4	11.5	25.6	1,008.9	814.5	145.7	48.7		
1998:IV	1,567.2	548.0	353.8	304.1	5.1	44.5	194.2	156.6	11.5	26.2	1,019.2	823.4	146.2	49.6		
1999:I	1,595.5	554.1	356.5	305.7	5.4	45.4	197.6	158.8	11.4	27.4	1,041.4	832.1	158.3	50.9		
1999:II	1,610.9	558.3	355.3	302.2	5.4	47.8	203.0	158.0	10.5	34.5	1,052.6	847.2	153.0	52.4		
1999:III	1,642.4	570.4	367.5	312.2	5.3	50.1	202.8	159.1	10.6	33.1	1,072.1	863.1	154.8	54.2		
1999:IV	1,688.8	591.6	380.8	324.7	5.2	50.8	210.7	162.3	11.6	36.8	1,097.3	877.4	163.9	56.0		
2000:I	1,710.4	580.1	366.6	311.2	4.7	50.6	213.5	167.5	10.9	35.1	1,130.4	897.5	175.0	57.9		
2000:II	1,742.2	604.5	381.9	325.7	4.5	51.7	222.6	173.3	10.6	38.7	1,137.7	911.3	166.2	60.1		
2000:III	1,748.8	594.2	375.0	319.6	4.6	50.8	219.2	170.3	10.5	38.4	1,154.6	925.2	167.1	62.2		

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-21.—*Real government consumption expenditures and gross investment by type, 1987–2000*
[Billions of chained (1996) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Government consumption expenditures and gross investment													
	Total	Federal								State and local				
		Total	National defense				Nondefense							
			Total	Con- sump- tion expend- itures	Gross investment		Total	Con- sump- tion expend- itures	Gross investment					
					Struc- tures	Equip- ment and soft- ware			Struc- tures	Equip- ment and soft- ware	Total	Con- sump- tion expend- itures	Struc- tures	Equip- ment and soft- ware
1987	1,292.5	597.8	450.2	373.2	11.2	65.7	146.5	125.4	11.6	10.6	695.6	577.3	99.9	20.3
1988	1,307.5	586.9	446.8	376.1	10.4	60.7	138.9	119.2	8.6	11.7	721.4	596.8	104.3	21.9
1989	1,343.5	594.7	443.3	372.4	8.3	62.6	150.5	129.6	8.3	13.2	749.5	617.9	106.5	26.0
1990	1,387.3	606.8	443.2	369.7	7.7	65.4	163.0	140.1	9.3	14.2	781.1	638.9	114.5	28.4
1991	1,403.4	604.9	438.4	369.5	5.7	62.9	166.0	140.9	10.4	15.0	798.9	653.4	118.3	28.1
1992	1,410.0	595.1	417.1	350.6	6.3	60.0	177.9	150.0	11.6	16.5	815.3	667.8	118.7	29.4
1993	1,398.8	572.0	394.7	336.1	5.7	52.8	177.3	147.8	12.4	17.2	827.0	680.4	116.1	31.0
1994	1,400.1	551.3	375.9	320.5	6.2	49.2	175.5	148.0	11.2	16.5	848.9	697.5	117.0	34.6
1995	1,406.4	536.5	361.9	308.7	6.5	46.8	174.6	145.7	11.1	17.9	869.9	711.3	120.9	37.8
1996	1,421.9	531.6	357.0	302.4	6.7	47.9	174.6	142.9	11.1	20.5	890.4	726.5	122.5	41.3
1997	1,455.4	529.6	347.7	298.5	5.5	43.6	181.8	148.6	9.4	23.9	925.8	745.7	134.7	45.4
1998	1,486.4	526.9	341.7	290.7	5.1	45.9	185.2	147.2	10.5	27.8	959.2	772.6	135.5	51.6
1999	1,536.1	540.1	348.5	293.8	4.8	50.3	191.5	147.5	10.1	35.0	995.6	794.6	143.2	58.9
1995: I	1,407.3	544.1	366.9	312.2	7.1	47.6	177.2	147.1	11.9	18.3	863.3	707.1	119.9	36.4
II	1,414.0	544.3	367.0	312.2	6.2	48.5	177.3	147.9	11.1	18.4	869.7	709.7	122.7	37.4
III	1,410.8	540.4	363.3	311.8	6.0	45.5	177.1	148.5	11.2	17.5	870.4	712.1	120.2	38.2
IV	1,393.5	517.1	350.4	298.5	6.5	45.4	166.8	139.2	10.3	17.4	876.4	716.4	120.7	39.3
1996: I	1,404.8	529.1	356.4	300.5	6.7	49.1	172.7	141.9	11.3	19.5	875.7	715.5	120.2	40.0
II	1,430.4	540.2	363.0	305.2	7.3	50.6	177.2	144.1	12.0	21.1	890.2	727.0	122.4	40.8
III	1,422.0	529.5	355.4	300.6	6.5	48.4	174.1	142.0	11.4	20.6	892.5	729.2	121.6	41.8
IV	1,430.6	527.6	353.3	303.2	6.3	43.7	174.4	143.6	9.9	20.9	903.0	734.5	125.7	42.7
1997: I	1,434.6	521.7	341.6	295.7	5.7	40.1	180.1	147.3	10.0	22.8	912.8	736.6	132.7	43.5
II	1,457.0	534.8	350.3	302.6	5.4	42.1	184.5	149.3	9.7	25.6	922.2	742.2	135.2	44.8
III	1,464.8	533.4	350.4	298.9	5.5	46.0	182.9	149.3	10.1	23.6	931.4	748.7	136.6	46.2
IV	1,465.3	528.4	348.5	296.8	5.4	46.3	179.8	148.4	8.0	23.5	936.8	755.2	134.4	47.3
1998: I	1,461.6	515.9	332.0	283.9	5.4	42.7	183.8	147.6	10.3	26.1	945.5	762.6	134.1	49.1
II	1,487.6	531.8	342.4	292.9	4.8	44.7	189.3	149.5	10.2	30.1	955.7	769.9	135.3	50.9
III	1,492.9	527.5	347.2	292.5	5.5	49.5	180.3	142.7	10.8	27.1	965.1	776.4	136.7	52.5
IV	1,503.3	532.4	345.1	293.7	4.8	46.8	187.2	148.9	10.7	27.9	970.7	781.6	135.8	53.9
1999: I	1,517.1	529.5	342.4	290.6	5.0	47.0	187.0	147.7	10.6	29.1	987.2	786.0	146.0	55.8
II	1,519.9	532.1	340.3	286.4	4.9	49.5	191.6	146.6	9.7	36.6	987.5	791.2	139.6	57.7
III	1,537.8	541.0	350.4	294.1	4.8	52.0	190.5	146.8	9.7	35.1	996.4	797.6	140.2	60.0
IV	1,569.5	558.1	360.9	304.0	4.7	52.7	197.1	148.9	10.5	39.1	1,011.2	803.7	146.9	62.1
2000: I	1,565.1	537.1	341.5	285.7	4.2	52.4	195.4	150.0	9.8	36.7	1,027.4	809.8	155.2	64.0
II	1,583.7	558.8	355.1	298.4	4.0	53.4	203.6	155.4	9.5	40.2	1,024.6	815.1	145.5	66.3
III	1,578.2	545.8	346.2	290.5	4.0	52.3	199.4	151.9	9.3	39.7	1,031.9	820.8	145.2	68.4

Note.—See Table B-2 for data for total Government consumption expenditures and gross investment for 1959-86.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-22.—*Private inventories and final sales of domestic business, 1959–2000*

[Billions of dollars, except as noted; seasonally adjusted]

Quarter	Private inventories ¹							Final sales of domestic business ³	Ratio of private inventories to final sales of domestic business	
	Total ²	Farm	Nonfarm				Total		Nonfarm	
			Total ²	Manu- facturing	Whole- sale trade	Retail trade				Other
Fourth quarter:										
1959	121.4	30.6	90.8	47.7	16.5	20.5	6.1	36.5	3.33	2.49
1960	125.0	31.4	93.5	48.7	16.9	21.9	6.1	37.7	3.31	2.48
1961	128.2	33.0	95.2	50.1	17.3	21.3	6.6	39.5	3.24	2.41
1962	135.3	34.9	100.5	53.2	18.0	22.7	6.6	41.9	3.23	2.40
1963	137.7	32.2	105.5	55.1	19.5	23.9	7.1	44.5	3.09	2.37
1964	143.1	30.8	112.2	58.6	20.8	25.2	7.7	47.5	3.01	2.36
1965	157.2	35.0	122.2	63.4	22.5	28.0	8.3	52.5	2.99	2.33
1966	173.7	35.4	138.3	73.0	25.8	30.6	8.9	55.7	3.12	2.48
1967	184.0	35.0	149.1	79.9	28.1	30.9	10.1	59.2	3.11	2.52
1968	197.4	38.1	159.3	85.1	29.3	34.2	10.6	65.1	3.03	2.45
1969	215.8	41.2	174.6	92.6	32.5	37.5	12.0	69.4	3.11	2.52
1970	222.9	39.6	183.3	95.5	36.4	38.5	12.9	73.1	3.05	2.51
1971	240.6	46.3	194.4	96.6	39.4	44.7	13.7	79.6	3.02	2.44
1972	266.7	56.9	209.9	102.1	43.1	49.8	14.8	88.7	3.01	2.37
1973	322.7	73.4	249.4	121.5	51.7	58.4	17.7	97.8	3.30	2.55
1974	382.3	64.2	318.1	162.6	66.9	63.9	24.7	105.8	3.61	3.01
1975	387.3	68.3	319.0	162.2	66.5	64.4	25.9	118.5	3.27	2.69
1976	419.3	65.1	354.2	178.7	74.1	73.0	28.5	130.3	3.22	2.72
1977	462.7	71.3	391.4	193.2	84.0	80.9	33.3	145.6	3.18	2.69
1978	546.8	95.1	451.7	219.8	99.0	94.1	38.8	168.3	3.25	2.68
1979	644.7	112.1	532.6	261.8	119.5	104.7	46.6	187.3	3.44	2.84
1980	710.7	112.1	598.7	293.4	139.4	111.7	54.1	205.8	3.45	2.91
1981	754.9	103.2	651.7	313.1	148.8	123.2	66.6	223.0	3.39	2.92
1982	752.1	109.5	642.6	304.6	147.9	123.2	66.8	234.2	3.21	2.74
1983	769.6	104.5	665.1	308.9	153.4	137.6	65.2	257.2	2.99	2.59
1984	845.5	108.0	737.6	344.5	169.1	157.0	66.9	279.2	3.03	2.64
1985	856.5	106.3	750.2	333.3	175.9	171.4	69.5	300.2	2.85	2.50
1986	839.4	94.3	745.1	320.6	182.0	176.2	66.3	318.5	2.64	2.34
1987	901.0	96.6	804.4	339.6	195.8	199.1	69.9	336.5	2.68	2.39
1988	968.8	99.7	869.1	372.4	213.9	213.2	69.5	366.0	2.65	2.37
1989	1,016.3	101.6	914.7	390.5	222.8	231.4	70.1	388.5	2.62	2.35
1990	1,054.5	105.7	948.9	404.5	236.8	236.6	71.0	406.2	2.60	2.34
1991	1,028.0	94.0	934.0	384.1	239.2	240.2	70.5	417.5	2.46	2.24
1992	1,052.0	102.4	949.5	377.6	248.3	249.4	74.3	446.6	2.36	2.13
1993	1,082.8	99.1	983.7	380.1	258.6	268.6	76.5	470.0	2.30	2.09
1994	1,163.0	102.9	1,060.0	404.3	281.5	293.6	80.6	496.8	2.34	2.13
1995:I	1,196.2	104.1	1,092.1	417.0	290.9	301.5	82.7	503.1	2.38	2.17
II	1,211.7	99.5	1,112.2	422.9	297.4	308.1	83.7	508.4	2.38	2.19
III	1,213.5	94.4	1,119.1	425.1	301.1	310.0	82.9	517.1	2.35	2.16
IV	1,222.4	96.3	1,126.1	424.5	303.7	312.2	85.6	523.7	2.33	2.15
1996:I	1,223.0	95.8	1,127.2	424.9	305.4	309.2	87.8	531.8	2.30	2.12
II	1,235.6	104.1	1,131.5	423.3	306.2	313.8	88.1	541.7	2.28	2.09
III	1,247.5	107.7	1,139.8	425.9	305.3	320.3	88.3	545.5	2.29	2.09
IV	1,251.5	103.4	1,148.1	428.9	305.2	322.0	92.1	556.3	2.25	2.06
1997:I	1,259.1	107.7	1,151.4	429.6	309.7	320.9	91.2	565.4	2.23	2.04
II	1,274.1	107.1	1,167.0	433.5	316.6	323.4	93.5	574.2	2.22	2.03
III	1,289.1	108.9	1,180.2	436.3	320.9	326.6	96.4	585.6	2.20	2.02
IV	1,296.5	107.3	1,189.1	438.0	324.7	330.4	96.1	590.7	2.19	2.01
1998:I	1,316.0	107.9	1,208.1	442.5	329.3	337.1	99.3	598.4	2.20	2.02
II	1,320.5	102.4	1,218.1	445.6	331.2	338.0	103.3	608.9	2.17	2.00
III	1,323.2	93.3	1,229.9	447.3	335.8	341.7	105.2	615.5	2.15	2.00
IV	1,331.9	92.7	1,239.2	444.5	339.2	347.3	108.2	626.8	2.12	1.98
1999:I	1,348.8	98.3	1,250.5	443.4	342.2	353.0	111.9	637.4	2.12	1.96
II	1,362.5	98.0	1,264.5	445.3	347.1	356.5	115.6	646.5	2.11	1.96
III	1,387.9	96.4	1,291.4	452.6	356.4	363.5	118.9	655.9	2.12	1.97
IV	1,416.3	100.3	1,316.0	458.6	363.4	374.6	119.5	669.8	2.11	1.96
2000:I	1,446.5	108.3	1,338.3	466.1	373.2	375.5	123.5	687.3	2.10	1.95
II	1,472.4	108.0	1,364.3	472.6	381.3	382.2	128.2	698.2	2.11	1.95
III	1,492.8	105.3	1,387.5	480.7	387.8	387.4	131.5	705.0	2.12	1.97

¹ Inventories at end of quarter. Quarter-to-quarter change calculated from this table is not the current-dollar change in private inventories component of GDP. The former is the difference between two inventory stocks, each valued at their respective end-of-quarter prices. The latter is the change in the physical volume of inventories valued at average prices of the quarter. In addition, changes calculated from this table are at quarterly rates, whereas change in private inventories is stated at annual rates.

² Inventories of construction establishments are included in "other" nonfarm inventories.

³ Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government and includes a small amount of final sales by farms.

Note.—The industry classification of inventories is on an establishment basis. Estimates for nonfarm industries other than manufacturing and trade for 1986 and earlier periods are based on the 1972 Standard Industrial Classification (SIC). Manufacturing estimates for 1981 and earlier periods and trade estimates for 1966 and earlier periods are based on the 1972 SIC; later estimates for these industries are based on the 1987 SIC. The resulting discontinuities are small.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-23.—*Real private inventories and final sales of domestic business, 1987–2000*

[Billions of chained (1996) dollars, except as noted; seasonally adjusted]

Quarter	Private inventories ¹							Final sales of domestic business ³	Ratio of private inventories to final sales of domestic business	
	Total ²	Farm	Nonfarm						Total	Nonfarm
			Total ²	Manu- facturing	Whole- sale trade	Retail trade	Other			
Fourth quarter:										
1987	1,024.1	110.7	911.7	361.6	228.6	239.7	81.6	422.7	2.42	2.16
1988	1,042.5	96.5	945.4	378.5	238.5	247.4	80.4	443.0	2.35	2.13
1989	1,072.1	96.6	975.2	392.7	243.2	261.9	76.8	454.7	2.36	2.14
1990	1,088.6	99.2	989.0	401.6	252.2	260.2	73.8	457.2	2.38	2.16
1991	1,087.6	96.9	990.4	394.9	257.3	260.8	76.8	457.5	2.38	2.17
1992	1,104.7	103.1	1,001.1	390.1	266.2	265.4	79.1	479.7	2.30	2.09
1993	1,124.6	95.2	1,029.8	393.7	273.1	280.8	81.9	493.9	2.28	2.08
1994	1,191.5	108.1	1,083.3	405.8	290.2	301.4	85.9	512.2	2.33	2.11
1995: I	1,207.0	106.7	1,100.3	411.1	295.5	307.0	86.7	515.2	2.34	2.14
II	1,215.1	103.0	1,112.1	415.0	299.3	311.4	86.4	518.4	2.34	2.15
III	1,217.4	97.2	1,120.1	418.1	302.7	312.7	86.5	524.9	2.32	2.13
IV	1,221.9	95.9	1,126.0	419.9	304.5	313.6	88.0	529.7	2.31	2.13
1996: I	1,223.3	95.8	1,127.5	424.2	305.4	309.9	87.9	535.4	2.28	2.11
II	1,230.8	98.7	1,132.1	423.3	306.7	313.8	88.3	542.8	2.27	2.09
III	1,243.6	102.9	1,140.7	426.8	305.2	319.6	88.9	544.3	2.28	2.10
IV	1,251.9	103.7	1,148.1	430.0	307.7	321.0	89.5	552.8	2.26	2.08
1997: I	1,264.2	103.5	1,160.7	434.4	313.7	320.1	92.5	558.2	2.26	2.08
II	1,286.3	103.5	1,182.8	440.2	323.2	324.4	95.0	564.0	2.28	2.10
III	1,299.1	105.7	1,193.4	442.5	326.8	327.6	96.5	573.6	2.26	2.08
IV	1,315.6	106.9	1,208.7	445.2	333.1	332.3	98.2	576.7	2.28	2.10
1998: I	1,344.9	108.8	1,236.1	454.7	340.3	338.6	102.6	583.2	2.31	2.12
II	1,360.2	108.4	1,251.8	462.0	344.0	338.9	107.1	592.2	2.30	2.11
III	1,378.4	106.6	1,271.5	468.0	351.4	342.1	110.3	596.7	2.31	2.13
IV	1,395.8	108.1	1,287.4	470.8	355.7	347.1	114.1	606.4	2.30	2.12
1999: I	1,407.8	107.7	1,299.7	470.5	358.9	352.6	117.8	614.0	2.29	2.12
II	1,411.1	107.4	1,303.2	468.2	362.7	353.6	118.9	620.7	2.27	2.10
III	1,420.8	106.2	1,314.1	469.0	368.5	357.5	119.1	628.4	2.26	2.09
IV	1,441.1	108.2	1,332.4	470.9	373.1	368.0	120.2	639.6	2.25	2.08
2000: I	1,450.2	109.1	1,340.6	473.5	378.5	366.9	121.7	651.3	2.23	2.06
II	1,469.9	110.6	1,358.7	477.9	386.6	372.2	121.9	657.7	2.23	2.07
III	1,488.0	111.9	1,375.6	483.5	392.1	377.2	122.6	661.9	2.25	2.08

¹ Inventories at end of quarter. Quarter-to-quarter changes calculated from this table are at quarterly rates, whereas the change in private inventories component of GDP is stated at annual rates.

² Inventories of construction establishments are included in "other" nonfarm inventories.

³ Quarterly totals at monthly rates. Final sales of domestic business equals final sales of domestic product less gross product of households and institutions and of general government and includes a small amount of final sales by farms.

Note.—The industry classification of inventories is on an establishment basis. Estimates for nonfarm industries other than manufacturing and trade for 1986 and earlier periods are based on the 1972 Standard Industrial Classification (SIC). Manufacturing estimates for 1981 and earlier periods and trade estimates for 1966 and earlier periods are based on the 1972 SIC; later estimates for these industries are based on the 1987 SIC. The resulting discontinuities are small.

See *Survey of Current Business*, Table 5.13, for detailed information on calculation of the chained (1996) dollar inventory series.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-24.—*Foreign transactions in the national income and product accounts, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Receipts from rest of the world					Payments to rest of the world										Net foreign investment		
	Total	Exports of goods and services			In- come re- ceipts	Total	Imports of goods and services			In- come pay- ments	Transfer payments (net)							
		Total	Goods ¹	Serv- ices ¹			Total	Goods ¹	Serv- ices ¹		Total	From persons (net)	From government (net)	From busi- ness				
1959	25.0	20.6	16.5	4.2	4.3	25.0	22.3	15.3	7.0	1.5	2.4	0.5	1.8	0.1	-1.2			
1960	30.2	25.3	20.5	4.8	5.0	30.2	22.8	15.2	7.6	1.8	2.4	.5	1.8	.1	3.2			
1961	31.4	26.0	20.9	5.1	5.4	31.4	22.7	15.1	7.6	1.8	2.7	.5	2.1	.1	4.3			
1962	33.5	27.4	21.7	5.7	6.1	33.5	25.0	16.9	8.1	1.8	2.8	.5	2.1	.1	3.9			
1963	36.1	29.4	23.3	6.1	6.6	36.1	26.1	17.7	8.4	2.1	2.8	.7	2.1	.1	5.0			
1964	41.0	33.6	26.7	6.9	7.4	41.0	28.1	19.4	8.7	2.4	3.0	.7	2.1	.2	7.5			
1965	43.5	35.4	27.8	7.6	8.1	43.5	31.5	22.2	9.3	2.7	3.0	.8	2.0	.2	6.2			
1966	47.2	38.9	30.7	8.2	8.3	47.2	37.1	26.3	10.7	3.1	3.2	.8	2.2	.2	3.9			
1967	50.2	41.4	32.2	9.2	8.9	50.2	39.9	27.8	12.2	3.4	3.4	1.0	2.1	.2	3.5			
1968	55.6	45.3	35.3	10.0	10.3	55.6	46.6	33.9	12.6	4.1	3.2	1.0	1.9	.3	1.7			
1969	61.2	49.3	38.3	11.0	11.9	61.2	50.5	36.8	13.7	5.8	3.2	1.1	1.8	.3	1.8			
1970	69.9	57.0	44.5	12.4	13.0	69.9	55.8	40.9	14.9	6.6	3.6	1.3	1.9	.4	4.0			
1971	73.4	59.3	45.6	13.8	14.1	73.4	62.3	46.6	15.8	6.4	4.1	1.3	2.3	.4	.6			
1972	82.6	66.2	51.8	14.4	16.4	82.6	74.2	56.9	17.3	7.7	4.3	1.4	2.5	.5	-3.6			
1973	115.6	91.8	73.9	17.8	23.8	115.6	91.2	71.8	19.3	11.1	4.6	1.5	2.4	.7	8.7			
1974	154.6	124.3	101.0	23.3	30.3	154.6	127.5	104.5	22.9	14.6	5.4	1.3	3.1	1.0	7.1			
1975	164.4	136.3	109.6	26.7	28.2	164.4	122.7	99.0	23.7	14.9	5.4	1.3	3.4	.7	21.4			
1976	181.7	148.9	117.8	31.1	32.9	181.7	151.1	124.6	26.5	15.7	6.0	1.3	3.6	1.1	8.9			
1977	196.6	158.8	123.7	35.1	37.9	196.6	182.4	152.6	29.8	17.2	6.0	1.3	3.3	1.4	-9.0			
1978	233.5	186.1	145.4	40.7	47.4	233.5	212.3	177.4	34.8	25.3	6.4	1.5	3.6	1.4	-10.4			
1979	299.1	228.7	184.0	44.7	70.4	299.1	252.7	212.8	39.9	37.5	7.5	1.6	3.9	2.0	1.4			
1980	360.7	278.9	225.8	53.2	81.8	360.7	293.8	248.6	45.3	46.5	9.0	1.8	4.8	2.4	11.4			
1981	398.4	302.8	239.1	63.7	95.6	398.4	317.8	267.8	49.9	60.9	13.4	5.5	4.8	3.2	6.3			
1982	385.0	282.6	215.0	67.6	102.4	385.0	303.2	250.5	52.6	65.9	16.1	6.5	6.1	3.4	-2			
1983	379.5	277.0	207.3	69.7	102.5	379.5	328.6	272.7	56.0	65.6	17.2	6.8	7.0	3.4	-32.0			
1984	426.0	303.1	225.6	77.5	122.9	426.0	405.1	336.3	68.8	87.6	20.3	7.7	9.1	3.5	-87.0			
1985	416.1	303.0	222.2	80.8	113.1	416.1	417.2	343.3	73.9	87.8	22.1	8.1	11.1	2.9	-110.9			
1986	431.4	320.3	226.0	94.3	111.1	431.4	452.2	370.0	82.2	95.6	24.2	9.0	12.1	3.2	-140.6			
1987	488.5	365.6	257.5	108.1	122.9	488.5	507.9	414.8	93.1	109.2	23.4	9.9	10.2	3.4	-152.0			
1988	598.7	446.9	325.8	121.1	151.8	598.7	553.2	452.1	101.1	133.4	25.4	10.6	10.3	4.5	-113.2			
1989	686.2	509.0	371.7	137.3	177.2	686.2	589.7	484.5	105.2	156.8	26.3	11.4	10.4	4.6	-86.7			
1990	745.5	557.2	398.5	158.6	188.3	745.5	628.6	508.0	120.6	159.3	26.8	12.0	10.0	4.8	-69.2			
1991	769.3	601.6	426.4	175.2	167.7	769.3	622.3	500.7	121.6	143.0	-11.0	13.0	-29.0	5.0	14.9			
1992	787.8	636.8	448.7	188.1	151.1	787.8	664.6	544.9	119.8	127.6	34.2	12.5	16.2	5.5	-38.7			
1993	812.5	658.0	459.7	198.3	154.4	812.5	718.5	592.8	125.7	130.1	36.8	14.4	16.7	5.7	-72.9			
1994	909.3	725.1	509.6	215.5	184.3	909.3	812.1	676.7	135.4	167.5	38.0	15.6	15.3	7.1	-108.3			
1995	1,050.8	818.6	583.8	234.7	232.3	1,050.8	902.8	757.6	145.2	211.9	34.0	16.5	9.8	7.7	-98.0			
1996	1,119.7	874.2	618.4	255.8	245.6	1,119.7	963.1	808.3	154.8	227.5	39.8	18.2	13.6	8.0	-110.7			
1997	1,247.7	966.4	688.9	277.5	281.3	1,247.7	1,055.8	885.1	170.7	274.2	40.8	21.2	10.6	8.9	-123.1			
1998	1,251.4	966.0	682.0	284.0	285.4	1,251.4	1,117.5	930.5	187.0	288.9	44.1	24.0	10.8	9.3	-199.1			
1999	1,296.1	990.2	699.2	291.0	305.9	1,296.1	1,244.2	1,048.6	195.6	316.9	48.1	26.6	11.6	9.9	-313.2			
1995:I	1,011.9	787.7	563.6	224.1	224.2	1,011.9	882.2	740.4	141.8	202.8	34.3	15.9	10.5	7.9	-107.5			
1995:II	1,037.0	802.5	574.3	228.2	234.5	1,037.0	911.5	766.9	144.6	209.2	32.3	15.6	9.3	7.4	-116.1			
1995:III	1,065.7	834.1	593.0	241.1	231.6	1,065.7	908.3	761.9	146.4	220.4	33.7	16.4	9.5	7.8	-96.7			
1995:IV	1,088.7	850.0	604.4	245.6	238.7	1,088.7	909.3	761.5	147.8	215.3	35.7	18.0	10.0	7.7	-71.6			
1996:I	1,092.4	853.3	607.8	245.5	239.1	1,092.4	929.1	778.6	150.5	212.3	41.7	17.4	16.8	7.5	-90.7			
1996:II	1,102.4	864.7	611.4	253.3	237.7	1,102.4	954.5	801.9	152.6	220.0	34.6	18.0	8.6	8.1	-106.7			
1996:III	1,111.2	865.6	615.4	250.1	245.6	1,111.2	976.1	818.6	157.5	234.1	35.4	18.2	9.0	8.2	-134.5			
1996:IV	1,172.9	913.1	639.0	274.0	259.8	1,172.9	992.8	834.3	158.5	243.5	47.6	19.3	19.9	8.4	-111.0			
1997:I	1,195.9	927.8	658.2	269.6	268.1	1,195.9	1,017.1	852.3	164.8	260.4	36.0	20.3	7.2	8.4	-117.5			
1997:II	1,249.3	966.8	688.5	278.2	282.6	1,249.3	1,041.7	874.5	167.2	270.6	37.2	20.4	7.8	9.0	-100.2			
1997:III	1,278.2	988.7	706.7	282.0	289.5	1,278.2	1,077.3	903.1	174.1	282.8	38.3	21.2	8.0	9.1	-120.2			
1997:IV	1,267.4	982.4	702.3	280.1	285.0	1,267.4	1,087.0	910.3	176.6	283.2	51.7	22.9	19.6	9.2	-154.4			
1998:I	1,264.4	975.0	692.9	282.1	289.3	1,264.4	1,092.6	911.9	180.6	283.8	39.3	22.6	8.1	8.6	-151.3			
1998:II	1,255.4	962.8	675.8	287.0	292.6	1,255.4	1,114.7	929.2	185.4	289.6	40.4	24.1	7.0	9.3	-189.3			
1998:III	1,225.0	947.8	668.3	279.5	277.2	1,225.0	1,115.4	926.0	189.4	291.4	42.8	24.3	9.1	9.4	-224.7			
1998:IV	1,260.9	978.3	690.9	287.4	282.6	1,260.9	1,147.3	954.8	192.5	290.9	53.9	25.1	19.1	9.7	-231.3			
1999:I	1,239.2	957.3	671.3	286.0	281.9	1,239.2	1,153.4	965.0	188.4	289.2	43.4	25.6	8.3	9.5	-246.8			
1999:II	1,268.9	973.0	682.1	290.9	295.9	1,268.9	1,213.4	1,020.4	193.0	305.6	46.3	26.7	10.0	9.7	-296.5			
1999:III	1,314.0	999.5	708.9	290.7	314.4	1,314.0	1,280.0	1,081.7	198.3	328.0	45.7	26.6	9.1	10.0	-339.8			
1999:IV	1,362.2	1,031.0	734.6	296.4	331.2	1,362.2	1,330.1	1,127.3	202.8	344.6	57.0	27.6	18.9	10.5	-369.6			
2000:I	1,402.8	1,051.9	747.5	304.4	350.9	1,402.8	1,387.1	1,176.1	211.0	358.6	47.8	28.5	8.3	11.0	-390.7			
2000:II	1,468.3	1,092.9	783.6	309.2	375.4	1,468.3	1,448.3	1,233.9	214.4	383.7	48.9	28.3	9.1	11.4	-412.5			
2000:III	1,503.6	1,130.8	821.9	308.9	372.8	1,503.6	1,520.3	1,294.7	225.6	381.7	51.7	29.5	11.4	10.8	-450.1			

¹ Certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment were reclassified from goods to services.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-25.—*Real exports and imports of goods and services and receipts and payments of income, 1987–2000*

[Billions of chained (1996) dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Exports of goods and services					In- come re- ceipts	Imports of goods and services					In- come pay- ments
	Total	Goods ¹			Serv- ices ¹		Total	Goods ¹			Serv- ices ¹	
		Total	Dura- ble goods	Non- dura- ble goods				Total	Dura- ble goods	Non- dura- ble goods		
1987	408.0	271.4	154.7	123.0	139.1	161.6	564.2	445.8	267.9	181.5	120.2	144.0
1988	473.5	322.6	191.9	135.6	152.0	192.6	585.6	463.9	279.1	188.5	123.4	169.8
1989	529.4	363.2	221.3	146.3	166.7	215.7	608.8	483.4	291.2	195.9	126.9	192.0
1990	575.7	393.2	243.0	154.0	183.5	219.2	632.2	497.9	299.2	202.7	136.6	186.9
1991	613.2	421.1	261.6	163.3	192.9	188.4	629.0	497.6	300.9	200.5	133.4	161.1
1992	651.0	449.8	280.8	172.7	201.7	165.1	670.8	543.7	331.9	215.5	128.0	139.1
1993	672.7	463.4	295.2	170.6	209.9	164.6	731.8	598.4	370.9	230.8	134.0	139.2
1994	732.8	508.2	330.5	178.9	225.1	191.9	819.4	677.9	432.2	247.4	141.9	175.2
1995	808.2	568.8	378.0	191.0	239.5	236.5	886.6	739.1	481.7	257.8	147.7	216.2
1996	874.2	618.4	421.7	196.7	255.8	245.6	963.1	808.3	533.3	275.1	154.8	227.5
1997	981.5	708.1	498.3	209.8	273.6	276.8	1,094.8	923.1	619.8	303.5	171.7	268.0
1998	1,003.6	723.6	514.0	209.6	280.3	278.7	1,224.6	1,032.0	700.4	331.8	192.6	279.3
1999	1,033.0	752.2	538.7	213.4	281.7	294.1	1,355.3	1,161.1	802.6	358.8	195.9	301.5
1995: I	780.6	549.8	360.9	189.6	230.8	230.0	873.1	725.5	472.2	253.7	147.9	208.6
II	788.9	556.5	368.9	187.9	232.5	239.2	886.4	740.3	481.6	259.2	146.2	214.0
III	821.9	576.7	385.1	191.7	245.3	235.3	889.1	742.1	481.1	261.7	147.1	224.3
IV	841.4	592.0	397.2	194.8	249.5	241.3	897.8	748.4	492.0	256.5	149.4	218.0
1996: I	846.1	599.2	403.0	196.2	247.0	240.5	921.1	769.7	508.0	261.7	151.5	213.9
II	860.1	605.5	413.3	192.2	254.6	238.4	950.4	797.4	524.4	273.1	153.0	220.8
III	867.0	617.2	423.9	193.3	249.8	245.3	982.9	825.6	544.8	280.8	157.3	233.8
IV	923.5	651.7	446.6	205.2	271.6	258.1	998.1	840.7	556.0	284.7	157.3	241.5
1997: I	940.3	672.8	468.4	204.4	267.6	264.8	1,034.3	869.6	584.1	285.8	164.7	256.1
II	979.2	705.8	496.9	208.9	273.7	278.5	1,079.8	913.0	611.1	302.0	166.9	264.8
III	1,004.2	726.8	515.3	211.5	277.7	284.5	1,123.8	948.0	635.0	313.0	175.9	275.9
IV	1,002.1	727.1	512.7	214.5	275.4	279.2	1,141.2	961.9	649.1	313.0	179.4	275.1
1998: I	1,004.5	726.0	515.4	210.6	278.9	283.5	1,179.8	992.0	671.9	320.3	187.8	275.5
II	996.8	713.5	504.6	209.0	283.2	286.1	1,216.6	1,025.8	692.9	333.2	190.8	280.2
III	988.8	713.2	507.1	206.1	275.9	270.3	1,232.9	1,037.4	700.1	337.6	195.4	281.3
IV	1,024.1	741.6	528.8	212.7	283.0	275.0	1,269.0	1,072.9	736.6	336.3	196.4	280.2
1999: I	1,003.3	723.1	517.5	205.4	280.3	273.2	1,283.1	1,091.4	746.9	344.6	192.5	277.2
II	1,017.6	735.7	525.3	210.4	282.3	285.4	1,332.2	1,139.9	785.0	355.0	193.7	291.8
III	1,042.6	763.4	547.8	215.5	280.5	301.9	1,385.2	1,190.5	824.3	366.5	196.7	312.0
IV	1,068.4	786.5	564.2	222.1	283.7	316.2	1,420.9	1,222.5	854.4	369.1	200.6	325.0
2000: I	1,084.8	798.1	575.3	222.7	288.5	332.0	1,461.7	1,255.3	880.5	376.2	208.4	335.8
II	1,121.8	833.5	608.1	225.4	291.0	353.2	1,525.2	1,313.9	920.8	394.5	213.7	357.9
III	1,158.8	874.2	633.8	240.3	288.9	348.7	1,586.4	1,364.0	958.8	407.2	224.8	354.8

¹ Certain goods, primarily military equipment purchased and sold by the Federal Government, are included in services. Beginning with 1986, repairs and alterations of equipment were reclassified from goods to services.

Note.—See Table B-2 for data for total exports of goods and services and total imports of goods and services for 1959-86.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-26.—*Relation of gross domestic product, gross national product, net national product, and national income, 1959–2000*

(Billions of dollars; quarterly data at seasonally adjusted annual rates)

Year or quarter	Gross domestic product	Plus: Income receipts from rest of the world	Less: Income payments to rest of the world	Equals: Gross national product	Less: Consumption of fixed capital			Equals: Net national product	Less:			Plus: Subsidies less current surplus of government enterprises	Equals: National income
					Total	Private	Government		Indirect business tax and nontax liability	Business transfer payments	Statistical discrepancy		
1959	507.4	4.3	1.5	510.3	54.8	40.2	14.6	455.5	41.9	1.4	0.8	0.1	411.5
1960	527.4	5.0	1.8	530.6	56.9	41.8	15.2	473.6	45.5	1.4	–6	.2	427.5
1961	545.7	5.4	1.8	549.3	58.5	42.8	15.7	490.8	48.1	1.5	–2	1.2	442.5
1962	586.5	6.1	1.8	590.7	61.0	44.3	16.7	529.7	51.7	1.6	–7	1.4	477.1
1963	618.7	6.6	2.1	623.2	63.6	46.0	17.6	559.6	54.7	1.8	–4	.9	504.4
1964	664.4	7.4	2.4	669.4	66.6	48.4	18.3	602.8	58.8	2.0	1.2	1.4	542.1
1965	720.1	8.1	2.7	725.5	70.8	51.7	19.1	654.7	62.7	2.2	1.9	1.7	589.6
1966	789.3	8.3	3.1	794.5	76.5	56.3	20.2	717.9	65.4	2.3	6.4	3.0	646.7
1967	834.1	8.9	3.4	839.5	83.1	61.4	21.7	756.4	70.4	2.5	4.8	2.9	681.7
1968	911.5	10.3	4.1	917.6	90.9	67.4	23.4	826.7	79.0	2.8	4.3	3.0	743.6
1969	985.3	11.9	5.8	991.5	99.8	74.5	25.2	891.7	86.6	3.1	2.9	3.5	802.7
1970	1,039.7	13.0	6.6	1,046.1	109.1	81.8	27.3	937.0	94.3	3.2	6.9	4.8	837.5
1971	1,128.6	14.1	6.4	1,136.2	118.9	89.8	29.2	1,017.3	103.6	3.4	11.3	4.9	903.9
1972	1,240.4	16.4	7.7	1,249.1	130.9	99.4	31.5	1,118.2	111.4	3.9	8.7	6.1	1,000.4
1973	1,385.5	23.8	11.1	1,398.2	142.9	109.1	33.8	1,255.3	121.0	4.5	8.0	5.6	1,127.4
1974	1,501.0	30.3	14.6	1,516.7	164.8	126.9	37.9	1,351.9	129.3	5.0	10.0	4.2	1,211.9
1975	1,635.2	28.2	14.9	1,648.4	190.9	149.1	41.8	1,457.5	140.0	5.2	17.7	7.7	1,302.2
1976	1,823.9	32.9	15.7	1,841.0	209.0	164.5	44.4	1,632.1	151.6	6.5	24.5	6.9	1,456.4
1977	2,031.4	37.9	17.2	2,052.1	231.6	184.4	47.2	1,820.5	165.5	7.3	21.6	9.7	1,635.8
1978	2,295.9	47.4	25.3	2,318.0	261.5	210.7	50.8	2,056.5	177.8	8.2	21.0	10.6	1,860.2
1979	2,566.4	70.4	37.5	2,599.3	300.4	244.9	55.5	2,298.9	188.7	9.9	35.7	11.0	2,075.6
1980	2,795.6	81.8	46.5	2,830.8	345.2	282.6	62.7	2,485.6	212.0	11.2	33.9	14.5	2,243.0
1981	3,131.3	95.6	60.9	3,166.1	394.8	323.9	71.0	2,771.2	249.3	13.4	27.5	16.1	2,497.1
1982	3,259.2	102.4	65.9	3,295.7	436.5	357.5	79.0	2,859.2	256.7	15.2	2.5	18.1	2,603.0
1983	3,534.9	102.5	65.6	3,571.8	456.1	372.7	83.3	3,115.7	280.3	16.2	47.0	24.3	2,796.5
1984	3,932.7	122.9	87.6	3,968.1	482.4	393.5	88.8	3,485.7	309.1	18.6	18.6	22.9	3,162.3
1985	4,213.0	113.1	87.8	4,238.4	516.5	422.5	94.0	3,721.9	329.4	20.7	11.7	20.4	3,380.4
1986	4,452.9	111.1	95.6	4,468.3	551.6	450.8	100.8	3,916.8	346.8	23.8	43.9	23.6	3,525.8
1987	4,742.5	122.9	109.2	4,756.2	586.1	478.2	107.8	4,170.1	369.3	24.2	3.3	30.1	3,803.4
1988	5,108.3	151.8	133.4	5,126.8	627.4	512.4	115.0	4,499.4	392.6	25.3	–42.2	27.4	4,151.1
1989	5,489.1	177.2	156.8	5,509.4	677.2	554.0	123.2	4,832.2	420.7	25.8	16.3	22.6	4,392.1
1990	5,803.2	188.3	159.3	5,832.2	711.3	579.5	131.8	5,120.9	447.3	26.1	30.6	25.3	4,642.1
1991	5,986.2	167.7	143.0	6,010.9	748.0	608.1	140.0	5,262.8	482.3	25.9	19.6	21.5	4,756.6
1992	6,318.9	151.1	127.6	6,342.3	787.5	642.2	145.3	5,554.9	510.6	28.1	43.7	22.4	4,994.9
1993	6,642.3	154.4	130.1	6,666.7	812.8	660.1	152.6	5,853.9	540.1	27.8	63.8	29.6	5,251.9
1994	7,054.3	184.3	167.5	7,071.1	874.9	714.6	160.3	6,196.2	575.3	30.8	58.5	25.2	5,566.8
1995	7,400.5	232.3	211.9	7,420.9	911.7	743.6	168.1	6,509.1	594.6	33.5	26.5	22.2	5,767.7
1996	7,813.2	245.6	227.5	7,831.2	956.2	781.9	174.3	6,875.0	620.0	34.4	32.8	22.6	6,210.4
1997	8,318.4	281.3	274.2	8,325.4	1,013.3	832.4	180.9	7,312.1	646.2	36.8	29.7	19.1	6,218.4
1998	8,790.2	285.4	288.9	8,786.7	1,077.3	889.4	188.0	7,709.3	679.6	38.0	–24.8	21.5	7,038.1
1999	9,299.2	305.9	316.9	9,288.2	1,161.0	961.4	199.6	8,127.1	718.1	39.7	–71.9	28.4	7,469.7
1995: I	7,297.5	224.2	202.8	7,318.9	889.6	724.2	165.5	6,429.2	589.3	33.0	53.7	21.8	5,775.0
II	7,342.6	234.5	209.2	7,367.9	904.1	736.7	167.3	6,463.8	594.1	33.1	24.9	22.0	5,833.7
III	7,432.8	231.6	220.4	7,444.1	915.9	747.0	168.9	6,528.2	593.6	33.9	3.1	22.5	5,920.0
IV	7,529.3	238.7	215.3	7,552.7	937.4	766.6	170.8	6,615.3	601.3	34.0	24.4	22.5	5,978.1
1996: I	7,629.6	239.1	212.3	7,656.5	938.4	766.1	172.3	6,718.1	606.8	33.6	34.4	23.3	6,066.6
II	7,782.7	237.7	220.0	7,800.3	948.6	775.3	173.3	6,851.7	613.2	34.3	49.6	22.9	6,177.5
III	7,859.0	245.6	234.1	7,870.5	962.5	787.5	175.0	6,908.0	615.7	34.6	25.1	22.0	6,254.5
IV	7,981.4	259.8	243.5	7,997.7	975.3	798.9	176.4	7,022.4	644.3	35.2	22.3	22.2	6,342.9
1997: I	8,124.2	268.1	260.4	8,131.8	989.7	811.5	178.2	7,142.1	632.0	35.7	40.6	21.1	6,454.8
II	8,279.8	282.6	270.6	8,291.8	1,005.2	825.1	180.1	7,286.6	643.8	36.7	69.5	19.2	6,555.8
III	8,390.9	289.5	282.8	8,397.7	1,021.0	839.5	181.5	7,376.6	654.1	37.2	26.9	18.0	6,676.4
IV	8,478.6	285.0	283.2	8,480.4	1,037.4	853.6	183.8	7,443.1	655.0	37.6	–18.0	18.2	6,786.7
1998: I	8,634.7	289.3	283.8	8,640.3	1,050.9	866.0	184.9	7,589.4	664.4	37.1	16.4	17.8	6,889.3
II	8,722.0	292.6	289.6	8,725.0	1,067.1	880.6	186.4	7,657.9	671.9	37.9	–20.8	17.8	6,986.7
III	8,829.1	277.2	291.4	8,814.9	1,086.0	897.1	188.9	7,728.8	679.2	38.2	–63.7	18.0	7,093.0
IV	8,974.9	282.6	290.9	8,966.6	1,105.3	913.8	191.5	7,861.3	702.7	38.8	–31.0	32.4	7,183.2
1999: I	9,104.5	281.9	289.2	9,097.2	1,124.9	930.3	194.6	7,972.3	697.2	38.9	–53.6	22.9	7,312.7
II	9,191.5	295.9	305.6	9,181.8	1,148.8	951.0	197.8	8,033.0	707.9	39.3	–76.8	22.9	7,392.3
III	9,340.9	314.4	328.0	9,327.3	1,181.8	980.8	201.0	8,145.5	721.6	39.9	–89.5	19.5	7,493.1
IV	9,559.7	331.2	344.6	9,546.3	1,188.5	983.5	205.0	8,357.7	745.5	40.6	–67.8	41.4	7,680.7
2000: I	9,752.7	350.9	358.6	9,745.0	1,215.4	1,005.6	209.8	8,529.6	755.9	41.3	–77.7	23.5	7,833.5
II	9,945.7	375.4	383.7	9,937.4	1,244.3	1,029.8	214.6	8,693.1	764.6	42.0	–72.5	24.2	7,983.2
III	10,039.4	372.8	381.7	10,030.5	1,272.3	1,053.3	219.0	8,758.2	772.0	41.6	–101.8	42.0	8,088.5

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-27.—*Relation of national income and personal income, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	National income	Less:				Plus:				Equals:
		Corporate profits with inventory valuation and capital consumption adjustments	Net interest	Contributions for social insurance	Wage accruals less disbursements	Personal interest income	Personal dividend income	Government transfer payments to persons	Business transfer payments to persons	Personal income
1959	411.5	53.7	9.7	13.8	0.0	23.0	12.6	22.9	1.3	394.0
1960	427.5	52.3	10.7	16.4	.0	25.6	13.4	24.4	1.3	412.7
1961	442.5	53.5	12.4	17.0	.0	27.3	13.9	28.1	1.4	430.3
1962	477.1	61.6	14.1	19.1	.0	30.2	15.0	28.8	1.5	457.9
1963	504.4	67.6	15.2	21.7	.0	33.0	16.2	30.3	1.7	481.0
1964	542.1	74.8	17.3	22.4	.0	36.9	18.2	31.3	1.8	515.8
1965	589.6	86.0	19.7	23.4	.0	40.8	20.2	33.9	2.0	557.4
1966	646.7	92.0	22.6	31.3	.0	45.3	20.7	37.5	2.1	606.4
1967	681.7	89.6	25.4	34.9	.0	49.4	21.5	45.4	2.3	650.4
1968	743.6	96.5	27.2	38.7	.0	54.1	23.5	53.0	2.5	714.5
1969	802.7	93.7	32.2	44.1	.0	62.3	24.2	58.8	2.8	780.8
1970	837.5	81.6	38.4	46.4	.0	71.5	24.3	71.6	2.8	841.1
1971	903.9	95.1	42.6	51.2	.6	77.5	25.0	85.2	3.0	905.1
1972	1,000.4	109.8	46.2	59.2	.0	84.2	26.8	94.6	3.4	994.3
1973	1,127.4	123.9	53.9	75.5	-.1	97.6	29.9	108.1	3.8	1,113.4
1974	1,211.9	114.5	68.8	85.2	-.5	116.1	33.2	128.4	4.0	1,225.6
1975	1,302.2	133.0	76.6	89.3	.1	128.0	32.9	163.0	4.5	1,331.7
1976	1,456.4	160.6	80.8	101.3	.1	140.5	39.0	176.9	5.5	1,475.4
1977	1,635.8	190.9	95.7	113.1	.1	161.9	44.7	188.7	5.9	1,637.1
1978	1,860.2	217.2	114.5	131.3	.3	191.3	50.7	202.5	6.8	1,848.3
1979	2,075.6	222.5	144.2	152.7	-.2	233.5	57.4	226.4	7.9	2,081.5
1980	2,243.0	198.5	183.9	166.2	.0	286.4	64.0	270.2	8.8	2,323.9
1981	2,497.1	219.0	226.5	195.7	.1	352.7	73.6	307.0	10.2	2,599.4
1982	2,603.0	201.2	256.3	208.9	.0	401.6	76.1	342.3	11.8	2,768.4
1983	2,796.5	254.1	267.2	226.0	-.4	431.6	83.5	369.4	12.8	2,946.9
1984	3,162.3	309.8	309.6	257.5	.2	505.3	90.8	378.3	15.1	3,274.8
1985	3,380.4	322.4	326.7	281.4	-.2	546.4	97.5	403.1	17.8	3,515.0
1986	3,525.8	300.7	343.6	303.4	.0	579.2	106.1	428.4	20.7	3,712.4
1987	3,803.4	346.6	361.5	323.1	.0	609.7	112.1	447.8	20.8	3,962.5
1988	4,151.1	405.0	389.4	361.5	.0	650.5	129.4	476.1	20.8	4,272.1
1989	4,392.1	395.7	443.1	385.2	.0	736.5	154.8	519.2	21.1	4,599.8
1990	4,642.1	408.6	452.4	410.1	.1	772.4	165.4	573.1	21.3	4,903.2
1991	4,756.6	431.2	429.8	430.2	-.1	771.8	178.3	649.1	20.8	5,085.4
1992	4,994.9	453.1	399.5	455.0	-15.8	750.1	185.3	729.2	22.5	5,390.4
1993	5,251.9	510.5	374.3	477.8	.6	725.5	203.0	776.5	22.1	5,610.0
1994	5,556.8	573.2	380.5	508.4	17.6	742.4	234.7	810.1	23.7	5,888.0
1995	5,876.7	668.8	389.8	533.2	16.4	792.5	254.0	860.1	25.8	6,200.9
1996	6,210.4	754.0	386.3	555.8	3.6	810.6	297.4	902.4	26.4	6,547.4
1997	6,618.4	833.8	423.9	587.8	-2.9	864.0	334.9	934.4	27.9	6,937.0
1998	7,038.1	815.0	482.7	622.1	2.1	940.8	351.1	954.3	28.7	7,391.0
1999	7,469.7	856.0	507.1	662.1	5.2	963.7	370.3	986.5	29.7	7,789.6
1995: I	5,775.0	630.0	396.8	525.6	16.4	784.8	248.4	845.4	25.1	6,109.9
II	5,833.7	655.5	392.8	530.4	16.4	791.9	250.8	856.3	25.7	6,163.3
III	5,920.0	692.8	386.7	535.9	16.4	794.7	251.8	865.0	26.1	6,225.9
IV	5,978.1	696.7	383.0	540.9	16.4	798.7	264.8	873.7	26.3	6,304.6
1996: I	6,066.6	736.7	378.2	544.7	3.6	797.2	285.9	892.6	26.1	6,405.1
II	6,177.5	748.6	385.5	552.9	3.6	805.9	290.4	900.0	26.2	6,509.4
III	6,254.5	755.0	388.1	559.5	3.6	814.6	302.4	905.5	26.5	6,597.1
IV	6,342.9	775.8	393.3	566.1	3.6	824.6	310.9	911.5	26.8	6,677.9
1997: I	6,454.8	798.5	402.2	576.4	-2.9	834.8	321.1	928.7	27.3	6,792.4
II	6,555.8	825.6	417.5	583.2	-2.9	854.1	331.5	933.2	27.7	6,879.1
III	6,676.4	858.3	429.0	590.8	-2.9	871.9	340.3	937.1	28.1	6,978.6
IV	6,786.7	852.7	446.8	600.9	-2.9	895.1	346.7	938.5	28.3	7,097.9
1998: I	6,889.3	824.5	464.4	610.8	2.1	917.7	348.4	948.7	28.4	7,230.7
II	6,986.7	814.0	483.5	617.8	2.1	940.6	349.4	951.7	28.6	7,339.5
III	7,093.0	818.0	493.3	625.8	2.1	954.5	351.0	957.0	28.8	7,445.1
IV	7,183.2	803.4	489.8	634.0	2.1	950.3	355.7	959.8	29.1	7,548.6
1999: I	7,312.7	852.0	490.1	648.2	5.2	945.1	360.8	975.7	29.4	7,628.1
II	7,392.3	836.8	494.1	657.0	5.2	951.3	366.8	982.6	29.6	7,729.7
III	7,493.1	842.0	513.8	666.9	5.2	969.4	373.5	990.4	29.9	7,828.5
IV	7,680.7	893.2	530.6	676.1	5.2	989.0	380.2	997.3	30.1	7,972.3
2000: I	7,833.5	936.3	545.4	691.2	.0	1,011.6	386.9	1,016.5	30.4	8,105.8
II	7,983.2	963.6	563.9	701.7	.0	1,031.3	392.6	1,035.5	30.6	8,242.1
III	8,088.5	970.3	575.7	710.2	.0	1,042.9	399.7	1,043.5	30.8	8,349.0

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-28.—*National income by type of income, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	National income ¹	Compensation of employees							Proprietors' income with inventory valuation and capital consumption adjustments					
		Total	Wage and salary accruals			Supplements to wages and salaries			Total	Farm		Nonfarm		
			Total	Government	Other	Total	Employer contributions for social insurance	Other labor income		Total	Proprietors' income ²	Total	Proprietors' income ³	
1959	411.5	281.0	259.8	46.0	213.8	21.2	7.9	13.4	51.8	10.9	11.8	40.9	40.3	
1960	427.5	296.4	272.8	49.2	223.7	23.6	9.3	14.4	51.9	11.4	12.3	40.4	40.0	
1961	442.5	305.3	280.5	52.4	228.0	24.8	9.6	15.2	54.4	12.1	12.9	42.3	42.0	
1962	477.1	327.2	299.3	56.3	243.0	27.9	11.2	16.7	56.5	12.1	12.9	44.4	44.1	
1963	504.4	345.3	314.8	60.0	254.8	30.4	12.4	18.0	57.8	11.9	12.7	45.8	45.5	
1964	542.1	370.7	337.7	64.9	272.9	33.0	12.6	20.3	60.6	10.8	11.6	49.9	49.5	
1965	589.6	399.5	363.7	69.9	293.8	35.8	13.1	22.7	65.2	13.1	13.9	52.2	52.2	
1966	646.7	442.6	400.3	78.3	321.9	42.4	16.8	25.5	69.6	14.1	15.0	55.5	55.7	
1967	681.7	475.2	428.9	86.4	342.5	46.2	18.0	28.2	71.1	12.8	13.7	58.4	58.7	
1968	743.6	524.3	471.9	96.6	375.3	52.4	20.0	32.5	75.4	12.8	13.9	62.6	63.4	
1969	802.7	577.6	518.3	105.5	412.7	59.4	22.8	36.6	78.9	14.2	15.4	64.7	65.5	
1970	837.5	617.2	551.5	117.1	434.3	65.7	23.8	41.9	79.8	14.3	15.7	65.5	66.6	
1971	903.9	658.8	584.5	126.7	457.8	74.4	26.4	48.0	86.1	14.9	16.5	71.2	72.6	
1972	1,000.4	725.1	638.7	137.8	500.9	86.5	31.2	55.3	97.7	18.8	20.5	78.9	79.9	
1973	1,127.4	811.2	708.6	148.7	560.0	102.6	39.8	62.8	115.2	30.7	32.6	84.5	86.6	
1974	1,211.9	890.2	772.2	160.4	611.8	118.0	44.7	73.3	115.5	25.2	27.7	90.3	94.1	
1975	1,302.2	949.0	814.7	176.1	638.6	134.4	46.7	87.6	121.6	23.5	26.9	98.1	99.9	
1976	1,456.4	1,059.3	899.6	188.7	710.8	159.7	54.4	105.3	134.3	18.7	22.6	115.6	117.2	
1977	1,635.8	1,180.4	994.0	202.4	791.6	186.4	61.1	125.3	148.3	17.5	21.7	130.8	131.9	
1978	1,860.2	1,336.0	1,121.0	219.8	901.2	215.0	71.5	143.4	170.1	21.5	26.3	148.5	149.9	
1979	2,075.6	1,500.8	1,255.6	236.9	1,018.7	245.2	82.6	162.6	183.7	23.7	29.4	160.0	161.4	
1980	2,243.0	1,651.7	1,377.4	261.2	1,116.2	274.3	88.9	185.4	177.6	13.1	20.2	164.5	165.7	
1981	2,497.1	1,825.7	1,517.3	285.6	1,231.7	308.5	103.6	204.8	186.2	20.3	28.6	165.9	161.4	
1982	2,603.0	1,926.0	1,593.4	307.3	1,286.1	332.6	109.8	222.8	179.9	14.4	23.4	165.4	158.9	
1983	2,796.5	2,042.7	1,684.3	324.5	1,359.8	358.5	119.9	238.6	195.5	7.2	16.0	188.3	172.8	
1984	3,162.3	2,255.9	1,854.8	347.8	1,507.0	401.1	139.0	262.1	247.5	21.6	30.2	225.9	200.3	
1985	3,380.4	2,425.2	1,995.2	373.5	1,621.7	430.0	147.7	282.3	267.0	21.5	29.7	245.5	211.2	
1986	3,525.8	2,570.7	2,114.4	396.6	1,717.8	456.3	157.9	298.4	278.6	23.0	31.1	255.6	216.3	
1987	3,803.4	2,755.6	2,270.2	422.2	1,848.0	485.4	166.3	319.1	303.9	29.0	36.9	274.8	239.8	
1988	4,151.1	2,973.8	2,452.7	450.9	2,001.8	521.1	184.6	336.5	338.8	26.0	33.9	312.7	277.4	
1989	4,392.1	3,151.0	2,596.8	479.7	2,117.1	554.2	193.7	360.5	361.8	32.2	40.0	329.6	293.5	
1990	4,642.1	3,351.0	2,754.6	516.8	2,237.9	596.4	206.5	390.0	381.0	31.1	39.2	349.9	323.2	
1991	4,756.6	3,454.9	2,824.2	545.6	2,278.6	630.7	215.1	415.6	384.2	26.4	34.4	357.8	333.0	
1992	4,994.9	3,644.8	2,966.8	567.7	2,399.1	677.9	228.4	449.5	434.3	32.7	40.9	401.7	373.4	
1993	5,251.9	3,814.4	3,091.6	584.9	2,506.8	722.8	240.0	482.8	461.8	30.1	38.2	431.7	401.4	
1994	5,556.8	4,016.2	3,254.3	603.9	2,650.4	761.9	254.4	507.5	476.6	31.9	39.9	444.6	421.7	
1995	5,876.7	4,202.5	3,441.1	622.7	2,818.4	761.4	264.5	497.0	497.7	22.2	30.2	475.5	447.8	
1996	6,210.4	4,395.6	3,630.1	641.0	2,989.1	765.4	275.4	490.0	544.7	34.3	42.1	510.5	476.0	
1997	6,618.4	4,651.3	3,886.0	664.3	3,221.7	765.3	289.9	475.4	581.2	29.7	37.5	551.5	507.2	
1998	7,038.1	4,984.2	4,192.8	692.7	3,500.1	791.4	305.9	485.5	620.7	25.4	33.1	595.2	545.1	
1999	7,469.7	5,299.8	4,475.1	724.4	3,750.7	824.6	323.6	501.0	663.5	25.3	33.6	638.2	586.9	
1995: I	5,775.0	4,142.7	3,379.6	618.8	2,760.8	763.1	260.9	502.2	488.6	21.4	29.4	467.2	441.8	
1995: II	5,833.7	4,178.8	3,417.2	620.9	2,796.4	761.6	263.1	498.5	491.4	19.6	27.7	471.8	444.8	
1995: III	5,920.0	4,224.3	3,463.6	623.9	2,839.7	760.7	265.7	495.0	499.7	20.5	28.5	479.2	450.8	
1995: IV	5,978.1	4,264.1	3,503.8	627.3	2,876.5	760.2	268.2	492.1	511.1	27.3	35.2	483.9	453.7	
1996: I	6,066.6	4,297.4	3,537.4	634.3	2,903.1	760.0	270.0	490.0	525.9	31.1	39.0	494.8	463.6	
1996: II	6,177.5	4,367.8	3,604.6	639.3	2,965.3	763.2	274.0	489.1	546.6	36.3	44.2	510.3	477.1	
1996: III	6,254.5	4,427.8	3,660.9	643.1	3,017.8	766.8	277.2	489.6	553.5	38.0	45.8	515.5	479.8	
1996: IV	6,342.9	4,489.4	3,717.6	647.3	3,070.3	771.8	280.4	491.4	553.0	31.7	39.5	521.4	483.4	
1997: I	6,454.8	4,553.7	3,786.5	656.9	3,129.6	767.2	284.5	482.7	570.0	30.6	38.4	539.4	498.4	
1997: II	6,555.8	4,607.8	3,845.0	661.2	3,183.8	762.8	287.7	475.2	576.0	29.6	37.4	546.4	502.5	
1997: III	6,676.4	4,675.8	3,912.7	666.5	3,246.2	763.0	291.3	471.7	586.0	29.8	37.5	556.2	511.0	
1997: IV	6,766.7	4,767.9	3,999.7	672.5	3,327.2	768.2	296.2	471.9	592.7	28.9	36.6	563.8	516.9	
1998: I	6,889.3	4,867.5	4,087.0	681.7	3,405.3	780.5	300.5	480.0	606.2	25.3	32.9	580.9	531.1	
1998: II	6,986.7	4,943.1	4,155.5	688.8	3,466.7	787.6	303.8	483.8	613.3	23.3	30.8	590.0	541.6	
1998: III	7,093.0	5,023.4	4,228.3	696.7	3,531.6	795.1	307.7	487.4	619.5	21.2	28.8	598.4	547.9	
1998: IV	7,183.2	5,102.7	4,300.3	703.5	3,596.8	802.4	311.6	490.9	643.7	32.0	39.8	611.7	559.8	
1999: I	7,312.7	5,181.6	4,369.4	715.3	3,654.1	812.2	317.0	495.1	644.1	25.0	32.9	619.1	567.2	
1999: II	7,392.3	5,255.4	4,435.5	720.3	3,715.2	819.9	321.2	498.7	660.4	29.0	37.0	631.4	581.0	
1999: III	7,493.1	5,340.9	4,512.2	727.5	3,784.7	828.7	325.9	502.8	659.7	15.5	24.8	644.2	593.7	
1999: IV	7,680.7	5,421.1	4,583.5	734.5	3,849.0	837.7	330.3	507.4	689.6	31.7	39.8	657.9	605.7	
2000: I	7,833.5	5,512.2	4,660.4	749.9	3,910.5	851.8	337.8	514.0	693.9	19.1	27.4	674.8	624.1	
2000: II	7,983.2	5,603.5	4,740.1	760.2	3,980.0	863.3	342.9	520.5	709.5	21.5	29.9	688.1	635.2	
2000: III	8,088.5	5,679.6	4,804.9	765.4	4,039.5	874.7	347.1	527.6	724.8	31.7	40.3	693.1	639.6	

¹ National income is the total net income earned in production. It differs from gross domestic product mainly in that it excludes depreciation charges and other allowances for business and institutional consumption of durable capital goods and indirect business taxes. See Table B-26.

See next page for continuation of table.

TABLE B-28.—*National income by type of income, 1959–2000—Continued*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Rental income of persons with capital consumption adjustment			Corporate profits with inventory valuation and capital consumption adjustments									Net interest				
	Total	Rental income of persons	Capital consumption adjustment	Total	Profits with inventory valuation adjustment and without capital consumption adjustment						Inventory valuation adjustment	Capital consumption adjustment					
					Total	Profits			Profits after tax	Undistributed profits							
						Profits before tax	Profits tax liability	Total									
1959	15.2	17.3	-2.1	53.7	53.4	53.7	23.6	30.0	12.6	17.5	-0.3	0.3	9.7				
1960	16.2	18.3	-2.1	52.3	51.4	51.5	22.7	28.8	13.4	15.5	-2	1.0	10.7				
1961	16.9	19.0	-2.1	53.5	51.7	51.5	22.8	28.7	13.9	14.8	.3	1.7	12.4				
1962	17.8	19.9	-2.1	61.6	56.9	56.9	24.0	32.9	15.0	17.9	.0	4.6	14.1				
1963	18.5	20.5	-2.0	67.6	62.0	61.9	26.2	35.7	16.2	19.5	.1	5.6	15.2				
1964	18.6	20.6	-2.0	74.8	68.4	68.9	28.0	40.9	18.2	22.7	-5	6.4	17.3				
1965	19.2	21.4	-2.2	86.0	78.7	80.0	30.9	49.1	20.2	28.9	-1.2	7.2	19.7				
1966	19.9	22.4	-2.5	92.0	84.4	86.5	33.7	52.8	20.7	32.1	-2.1	7.6	22.6				
1967	20.4	23.2	-2.8	89.6	81.7	83.3	32.7	50.6	21.5	29.1	-1.6	7.9	25.4				
1968	20.2	23.4	-3.3	96.5	88.5	92.2	39.4	52.8	23.5	29.3	-3.7	8.0	27.2				
1969	20.3	24.3	-3.9	93.7	85.2	91.1	39.7	51.4	24.2	27.2	-5.9	8.5	32.2				
1970	20.3	24.6	-4.3	81.6	74.0	80.6	34.4	46.2	24.3	21.9	-6.6	7.6	38.4				
1971	21.2	26.1	-5.0	95.1	87.9	92.4	37.7	54.7	25.0	29.7	-4.6	7.3	42.6				
1972	21.6	27.7	-6.1	109.8	100.7	107.3	41.9	65.5	26.8	38.6	-6.6	9.0	46.2				
1973	23.1	30.1	-7.0	123.9	114.6	134.2	49.3	84.9	29.9	55.0	-19.6	9.4	53.9				
1974	23.0	31.7	-8.7	114.5	108.5	146.8	51.8	95.0	33.2	61.8	-38.2	5.9	68.8				
1975	22.0	32.3	-10.3	133.0	134.3	144.8	50.9	93.9	33.0	60.9	-10.5	-1.2	76.6				
1976	21.5	33.0	-11.5	160.6	164.5	178.6	64.2	114.4	39.0	75.4	-14.1	-4.0	80.8				
1977	20.4	34.0	-13.6	190.9	193.3	209.0	73.0	136.0	44.8	91.2	-15.7	-2.4	95.7				
1978	22.4	38.9	-16.5	217.2	221.2	244.9	83.5	161.4	50.8	110.6	-23.7	-4.0	114.5				
1979	24.5	44.5	-20.0	222.5	229.9	270.1	88.0	182.1	57.5	124.6	-40.1	-7.4	144.2				
1980	31.3	54.9	-23.6	198.5	209.3	251.4	84.8	166.6	64.1	102.6	-42.1	-10.8	183.9				
1981	39.6	66.1	-26.5	219.0	216.3	240.9	81.1	159.8	73.8	86.0	-24.6	2.7	226.5				
1982	39.6	68.0	-28.5	201.2	188.0	195.5	63.1	132.4	76.2	56.2	-7.5	13.3	256.3				
1983	36.9	65.9	-28.9	254.1	223.9	231.4	77.2	154.1	83.6	70.5	-7.4	30.2	267.2				
1984	39.5	68.8	-29.4	309.8	262.0	266.0	94.0	172.0	91.0	81.0	-4.0	47.7	309.6				
1985	39.1	70.3	-31.2	322.4	255.2	255.2	96.5	158.7	97.7	61.0	.0	67.2	326.7				
1986	32.2	63.7	-31.5	300.7	250.5	243.4	106.5	136.9	106.3	30.6	7.1	50.3	343.6				
1987	35.8	68.9	-33.1	346.6	298.4	314.6	127.1	187.5	112.2	75.3	-16.2	48.2	361.5				
1988	44.1	79.1	-35.0	405.0	359.8	381.9	137.2	244.8	129.6	115.2	-22.2	45.3	389.4				
1989	40.5	80.2	-39.7	395.7	360.4	376.7	141.5	235.3	155.0	80.2	-16.3	35.3	443.1				
1990	49.1	87.2	-38.1	408.6	388.6	401.5	140.6	260.9	165.6	95.3	-12.9	19.9	452.4				
1991	56.4	96.0	-39.6	431.2	421.1	416.1	133.6	282.6	178.4	104.1	4.9	10.2	429.8				
1992	63.3	111.4	-48.1	453.1	448.8	451.6	143.1	308.4	185.5	122.9	-2.8	4.3	399.5				
1993	90.9	133.6	-42.8	510.5	506.4	510.4	165.4	345.0	203.1	141.9	-4.0	4.1	374.3				
1994	110.3	157.8	-47.5	573.2	561.0	573.4	186.7	386.7	234.9	151.8	-12.4	12.2	380.5				
1995	117.9	165.4	-47.5	668.8	650.2	668.5	211.0	457.5	254.2	203.3	-18.3	18.6	389.8				
1996	129.7	177.4	-47.6	754.0	729.4	726.3	223.6	502.7	297.7	205.0	3.1	24.6	386.3				
1997	128.3	178.3	-50.0	833.8	800.8	792.4	237.2	555.2	335.2	220.0	8.4	32.9	423.9				
1998	135.4	187.6	-52.2	815.0	775.1	758.2	244.6	513.6	351.5	162.1	17.0	39.9	482.7				
1999	143.4	199.4	-56.0	856.0	813.9	823.0	255.9	567.1	370.7	196.4	-9.1	42.1	507.1				
1995: I	116.9	163.0	-46.1	630.0	610.7	643.2	203.1	440.1	248.6	191.5	-32.5	19.4	396.8				
II	115.1	161.3	-46.2	655.5	637.1	665.3	208.8	456.6	251.1	205.5	-28.2	18.4	392.8				
III	116.6	163.0	-46.4	692.8	673.7	683.5	218.7	464.8	252.1	212.7	-9.8	19.2	386.7				
IV	123.2	174.4	-51.3	696.7	679.2	681.8	213.3	468.5	265.0	203.4	-2.6	17.5	383.0				
1996: I	128.4	175.2	-46.8	736.7	715.3	713.2	219.7	493.5	286.2	207.3	2.1	21.4	378.2				
II	129.0	176.1	-47.0	748.6	724.7	726.3	225.3	501.0	290.7	210.3	-1.7	23.9	385.5				
III	130.1	178.2	-48.1	755.0	729.6	724.9	224.0	500.9	302.7	198.2	4.7	25.4	388.1				
IV	131.4	179.9	-48.5	775.8	748.1	741.0	225.6	515.4	311.3	204.1	7.1	27.7	393.3				
1997: I	130.4	179.5	-49.1	798.5	768.1	757.7	227.0	530.7	321.4	209.3	10.4	30.4	402.2				
II	128.9	178.6	-49.7	825.6	793.3	781.2	231.8	549.4	331.8	217.5	12.1	32.3	417.5				
III	127.4	177.6	-50.3	858.3	824.7	819.0	245.2	573.8	340.6	233.2	5.6	33.6	429.0				
IV	126.7	177.5	-50.8	852.7	817.3	811.6	244.8	566.9	347.1	219.8	5.7	35.4	446.8				
1998: I	126.7	178.0	-51.3	824.5	786.2	763.5	244.1	519.4	348.8	170.6	22.6	38.4	464.4				
II	132.8	184.6	-51.9	814.0	774.4	766.7	245.9	520.9	349.8	171.1	7.7	39.6	483.5				
III	138.8	191.2	-52.5	818.0	777.8	760.1	249.0	511.1	351.4	159.7	17.7	40.2	493.3				
IV	143.5	196.6	-53.1	803.4	762.2	742.3	239.4	502.9	356.1	146.9	19.9	41.2	489.8				
1999: I	144.9	198.7	-53.8	852.0	809.1	797.6	247.8	549.9	361.1	188.7	11.4	42.9	490.1				
II	145.7	200.2	-54.5	836.8	795.6	804.5	250.8	553.7	367.2	186.5	-8.9	41.2	494.1				
III	136.6	196.3	-59.7	842.0	799.3	819.0	254.2	564.8	373.9	190.9	-19.7	42.7	513.8				
IV	146.2	202.3	-56.1	893.2	851.5	870.7	270.8	599.9	380.6	219.3	-19.2	41.6	530.6				
2000: I	145.6	203.1	-57.5	936.3	895.7	920.7	286.3	634.4	387.3	247.1	-25.0	40.6	545.4				
II	140.8	198.8	-58.0	963.6	928.8	942.5	292.0	650.4	393.0	257.4	-13.6	34.7	563.9				
III	138.1	196.6	-58.5	970.3	940.5	945.1	290.6	654.4	400.1	254.4	-4.5	29.7	575.7				

²Without capital consumption adjustment.³Without inventory valuation and capital consumption adjustments.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-29.—*Sources of personal income, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income	Wage and salary disbursements ¹							Other labor income ¹	Proprietors' income with inventory valuation and capital consumption adjustments				
		Total	Private industries					Government						
			Total	Goods-producing industries		Distributive industries	Service industries							
				Total	Manu- facturing		Farm	Nonfarm						
1959	394.0	259.8	213.8	109.9	86.9	65.1	38.8	46.0	13.4	10.9	40.9			
1960	412.7	272.8	223.7	113.4	89.8	68.6	41.7	49.2	14.4	11.4	40.4			
1961	430.3	280.5	228.0	114.0	89.9	69.6	44.4	52.4	15.2	12.1	42.3			
1962	457.9	299.3	243.0	122.2	96.8	73.3	47.6	56.3	16.7	12.1	44.4			
1963	481.0	314.8	254.8	127.4	100.7	76.8	50.7	60.0	18.0	11.9	45.8			
1964	515.8	337.7	272.9	136.0	107.3	82.0	54.9	64.9	20.3	10.8	49.9			
1965	557.4	363.7	293.8	146.6	115.7	87.9	59.4	69.9	22.7	13.1	52.2			
1966	606.4	400.3	321.9	161.6	128.2	95.1	65.3	78.3	25.5	14.1	55.5			
1967	650.4	428.9	342.5	169.0	134.3	101.6	72.0	86.4	28.2	12.8	58.4			
1968	714.5	471.9	375.3	184.1	146.0	110.8	80.4	96.6	32.5	12.8	62.6			
1969	780.8	518.3	412.7	200.4	157.7	121.7	90.6	105.5	36.6	14.2	64.7			
1970	841.1	551.5	434.3	203.7	158.4	131.2	99.4	117.1	41.9	14.3	65.5			
1971	905.1	583.9	457.4	209.1	160.5	140.4	107.9	126.5	48.0	14.9	71.2			
1972	994.3	638.7	501.2	228.2	175.6	153.3	119.7	137.4	55.3	18.8	78.9			
1973	1,113.4	708.7	560.0	255.9	196.6	170.3	133.9	148.7	62.8	30.7	84.5			
1974	1,225.6	772.6	611.8	276.5	211.8	186.8	148.6	160.9	73.3	25.2	90.3			
1975	1,331.7	814.6	638.6	277.1	211.6	198.1	163.4	176.0	87.6	23.5	98.1			
1976	1,475.4	899.5	710.8	309.7	238.0	219.5	181.6	188.6	105.3	18.7	115.6			
1977	1,637.1	993.9	791.6	346.1	266.7	242.7	202.8	202.3	125.3	17.5	130.8			
1978	1,848.3	1,120.7	901.2	392.6	300.1	274.9	233.7	219.6	143.4	21.5	148.5			
1979	2,081.5	1,255.8	1,018.7	442.3	335.2	308.5	267.8	237.1	162.6	23.7	160.0			
1980	2,323.9	1,377.5	1,116.2	472.3	356.2	336.7	307.2	261.3	185.4	13.1	164.5			
1981	2,599.4	1,517.2	1,231.7	514.5	387.6	368.5	348.6	285.6	204.8	20.3	165.9			
1982	2,768.4	1,593.4	1,286.1	514.6	385.7	385.9	385.6	307.3	222.8	14.4	165.4			
1983	2,946.9	1,684.7	1,359.8	527.7	400.7	405.7	426.4	325.0	238.6	7.2	188.3			
1984	3,274.8	1,854.6	1,507.0	586.1	445.4	445.2	475.6	347.6	262.1	21.6	225.9			
1985	3,515.0	1,995.4	1,621.7	620.2	468.5	476.5	524.9	373.8	282.3	21.5	245.5			
1986	3,712.4	2,114.4	1,717.8	636.8	480.7	501.6	579.3	396.6	298.4	23.0	255.6			
1987	3,962.5	2,270.2	1,848.0	660.1	496.9	535.4	652.4	422.2	319.1	29.0	274.8			
1988	4,272.1	2,452.7	2,001.8	706.7	529.9	575.1	720.1	450.9	336.5	26.0	312.7			
1989	4,599.8	2,596.8	2,117.1	732.2	547.9	606.5	778.5	479.7	360.5	32.2	329.6			
1990	4,903.2	2,754.6	2,237.9	754.4	561.4	633.6	849.9	516.7	390.0	31.1	349.9			
1991	5,085.4	2,824.2	2,278.6	746.3	562.5	646.3	886.0	545.6	415.6	26.4	357.8			
1992	5,390.4	2,982.6	2,414.9	765.7	583.5	680.2	969.0	567.7	449.5	32.7	401.7			
1993	5,610.0	3,085.2	2,500.3	780.6	592.4	697.3	1,022.4	584.9	482.8	30.1	431.7			
1994	5,888.0	3,236.7	2,632.8	824.0	620.3	738.4	1,070.4	603.9	507.5	31.9	444.6			
1995	6,200.9	3,424.7	2,802.0	863.6	647.5	782.1	1,156.3	622.7	497.0	22.2	475.5			
1996	6,547.4	3,626.5	2,985.5	908.2	673.7	822.4	1,254.9	641.0	490.0	34.3	510.5			
1997	6,937.0	3,888.9	3,224.7	975.1	718.4	879.6	1,369.9	664.3	475.4	29.7	551.5			
1998	7,391.0	4,190.7	3,498.0	1,038.6	756.6	949.1	1,510.3	692.7	485.5	25.4	595.2			
1999	7,789.6	4,470.0	3,745.6	1,089.2	782.4	1,020.3	1,636.0	724.4	501.0	25.3	638.2			
1995: I	6,109.9	3,363.2	2,744.5	852.8	641.1	768.4	1,123.2	618.8	502.2	21.4	467.2			
II	6,163.3	3,400.9	2,780.0	858.4	644.5	777.5	1,144.1	620.9	498.5	19.6	471.8			
III	6,225.9	3,447.2	2,823.3	868.1	650.4	787.8	1,167.4	623.9	495.0	20.5	479.2			
IV	6,304.6	3,487.5	2,860.1	875.0	654.0	794.7	1,190.5	627.3	492.1	27.3	483.9			
1996: I	6,405.1	3,533.8	2,899.4	882.1	656.0	803.5	1,213.9	634.3	490.0	31.1	494.8			
II	6,509.4	3,601.0	2,961.6	903.0	671.1	816.6	1,242.0	639.3	489.1	36.3	510.3			
III	6,597.1	3,657.3	3,014.2	917.6	680.2	828.3	1,268.3	643.1	489.6	38.0	515.5			
IV	6,677.9	3,713.9	3,066.7	930.0	687.6	841.2	1,295.6	647.3	491.4	31.7	521.4			
1997: I	6,792.4	3,789.4	3,132.5	951.4	702.0	856.4	1,324.8	656.9	482.7	30.6	539.4			
II	6,879.1	3,847.9	3,186.7	964.8	710.7	869.3	1,352.6	661.2	475.2	29.6	546.4			
III	6,978.6	3,915.7	3,249.2	979.9	721.1	886.4	1,382.9	666.5	471.7	29.8	556.2			
IV	7,097.9	4,002.6	3,330.2	1,004.4	739.6	906.3	1,419.4	672.5	471.9	28.9	563.8			
1998: I	7,230.7	4,084.9	3,403.2	1,021.8	748.8	924.1	1,457.4	681.7	480.0	25.3	580.9			
II	7,339.5	4,153.4	3,464.6	1,031.7	753.9	939.5	1,493.3	688.8	483.8	23.3	590.0			
III	7,445.1	4,226.2	3,529.5	1,042.9	758.3	957.8	1,528.8	696.7	487.4	21.2	598.4			
IV	7,548.6	4,298.2	3,594.7	1,058.1	765.4	975.0	1,561.7	703.5	490.9	32.0	611.7			
1999: I	7,628.1	4,364.3	3,649.0	1,066.4	768.1	992.1	1,590.4	715.3	495.1	25.0	619.1			
II	7,729.7	4,430.4	3,710.0	1,081.6	777.4	1,009.9	1,618.6	720.3	498.7	29.0	631.4			
III	7,828.5	4,507.0	3,779.6	1,097.8	789.0	1,029.9	1,651.8	727.5	502.8	15.5	644.2			
IV	7,972.3	4,578.3	3,843.8	1,111.2	795.1	1,049.4	1,683.2	734.5	507.4	31.7	657.9			
2000: I	8,105.8	4,660.4	3,910.5	1,130.9	802.8	1,070.9	1,708.6	749.9	514.0	19.1	674.8			
II	8,242.1	4,740.1	3,980.0	1,147.1	813.1	1,095.7	1,737.2	760.2	520.5	21.5	688.1			
III	8,349.0	4,804.9	4,039.5	1,161.4	821.4	1,118.1	1,760.1	765.4	527.6	21.5	693.1			

¹ The total of wage and salary disbursements and other labor income differs from compensation of employees in Table B-28 in that it excludes employer contributions for social insurance and the excess of wage accruals over wage disbursements.

See next page for continuation of table.

TABLE B-29.—*Sources of personal income, 1959–2000—Continued*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Rental income of persons with capital consumption adjustment	Personal dividend income	Personal interest income	Transfer payments to persons						Less: Personal contributions for social insurance
				Total	Old-age, survivors, disability, and health insurance benefits	Government unemployment insurance benefits	Veterans benefits	Family assistance ¹	Other	
1959	15.2	12.6	23.0	24.2	10.2	2.8	4.6	0.9	5.7	6.0
1960	16.2	13.4	25.6	25.7	11.1	3.0	4.6	1.0	6.1	7.2
1961	16.9	13.9	27.3	29.5	12.6	4.3	5.0	1.1	6.5	7.4
1962	17.8	15.0	30.2	30.3	14.3	3.1	4.7	1.3	7.0	7.9
1963	18.5	16.2	33.0	32.0	15.2	3.0	4.8	1.4	7.6	9.3
1964	18.6	18.2	36.9	33.2	16.0	2.7	4.7	1.5	8.2	9.8
1965	19.2	20.2	40.8	35.9	18.1	2.3	4.9	1.7	9.0	10.3
1966	19.9	20.7	45.3	39.6	20.8	1.9	4.9	1.9	10.2	14.5
1967	20.4	21.5	49.4	47.6	25.5	2.2	5.6	2.3	12.1	16.8
1968	20.2	23.5	54.1	55.6	30.2	2.1	5.9	2.8	14.5	18.7
1969	20.3	24.2	62.3	61.6	32.9	2.2	6.7	3.5	16.2	21.4
1970	20.3	24.3	71.5	74.3	38.5	4.0	7.7	4.8	19.4	22.5
1971	21.2	25.0	77.5	88.2	44.5	5.8	8.8	6.2	23.0	24.7
1972	21.6	26.8	84.2	98.0	49.6	5.7	9.7	6.9	26.1	28.0
1973	23.1	29.9	97.6	111.9	60.4	4.4	10.4	7.2	29.5	35.7
1974	23.0	33.2	116.1	132.3	70.1	6.8	11.8	8.0	35.6	40.5
1975	22.0	32.9	128.0	167.5	81.4	17.6	14.5	9.3	44.7	42.6
1976	21.5	39.0	140.5	182.3	92.9	15.8	14.4	10.1	49.2	46.9
1977	20.4	44.7	161.9	194.6	104.9	12.7	13.8	10.6	52.5	52.0
1978	22.4	50.7	191.3	209.3	116.2	9.7	13.9	10.8	58.7	59.7
1979	24.5	57.4	233.5	234.2	131.8	9.8	14.4	11.1	67.1	70.2
1980	31.3	64.0	286.4	279.0	154.2	16.1	15.0	12.5	81.3	77.2
1981	39.6	73.6	352.7	317.2	182.0	15.9	16.1	13.1	90.2	92.1
1982	39.6	76.1	401.6	354.2	204.5	25.2	16.4	12.9	95.2	99.1
1983	36.9	83.5	431.6	382.2	221.7	26.3	16.6	13.8	103.8	106.1
1984	39.5	90.8	505.3	393.4	235.7	15.9	16.4	14.5	111.0	118.4
1985	39.1	97.5	546.4	420.9	253.4	15.7	16.7	15.2	119.9	133.6
1986	32.2	106.1	579.2	449.0	269.2	16.3	16.7	16.1	130.6	145.6
1987	35.8	112.1	609.7	468.6	282.9	14.5	16.6	16.4	138.2	156.8
1988	44.1	129.4	650.5	496.9	300.5	13.2	16.9	16.9	149.5	176.8
1989	40.5	154.8	736.5	540.4	325.2	14.3	17.3	17.5	166.1	191.6
1990	49.1	165.4	772.4	594.4	352.1	18.0	17.8	19.2	187.3	203.7
1991	56.4	178.3	771.8	669.9	382.4	26.6	18.3	21.1	221.5	215.1
1992	63.3	185.3	750.1	751.7	414.0	38.9	19.3	22.2	257.3	226.6
1993	90.9	203.0	725.5	798.6	444.4	34.1	20.1	22.8	277.2	237.8
1994	110.3	234.7	742.4	833.9	473.0	23.6	20.1	23.2	294.0	254.1
1995	117.9	254.0	792.5	885.9	508.0	21.5	20.9	22.6	313.0	268.8
1996	129.7	297.4	810.6	928.8	537.6	22.1	21.7	20.3	327.1	280.4
1997	128.3	334.9	864.0	962.2	565.8	19.9	22.5	17.7	336.3	297.9
1998	135.4	351.1	940.8	983.0	578.0	19.5	23.4	17.0	345.0	316.2
1999	143.4	370.3	963.7	1,016.2	588.0	20.3	24.3	17.8	365.8	338.5
1995: I	116.9	248.4	784.8	870.5	498.1	20.7	20.8	22.9	308.0	264.7
II	115.1	250.8	791.9	881.9	505.7	21.2	20.8	22.8	311.5	267.3
III	116.6	251.8	794.7	891.1	511.3	21.7	21.0	22.6	314.5	270.2
IV	123.2	264.8	798.7	900.1	516.7	22.2	20.9	22.3	318.1	272.7
1996: I	128.4	285.9	797.2	918.7	528.8	22.9	21.5	21.4	324.0	274.7
II	129.0	290.4	805.9	926.3	534.9	22.4	21.9	20.8	326.3	278.8
III	130.1	302.4	814.6	931.9	540.2	21.5	21.6	20.2	328.4	282.3
IV	131.4	310.9	824.6	938.3	546.4	21.5	21.8	18.9	329.6	285.7
1997: I	130.4	321.1	834.8	955.9	560.0	20.7	22.4	18.4	334.4	291.9
II	128.9	331.5	854.1	961.0	565.0	20.1	22.3	17.9	335.6	295.5
III	127.4	340.3	871.9	965.1	568.7	19.4	22.5	17.5	337.1	299.5
IV	126.7	346.7	895.1	966.9	569.5	19.3	22.8	17.2	338.1	304.6
1998: I	126.7	348.4	917.7	977.1	577.1	19.2	23.3	17.0	340.6	310.3
II	132.8	349.4	940.6	980.3	577.8	19.1	23.3	16.9	343.2	314.0
III	138.8	351.0	954.5	985.8	579.5	20.1	23.4	17.0	345.7	318.2
IV	143.5	355.7	950.3	988.8	577.8	19.8	23.7	17.1	350.4	322.5
1999: I	144.9	360.8	945.1	1,005.0	583.4	20.5	24.2	17.4	359.6	331.2
II	145.7	366.8	951.3	1,012.2	586.1	20.6	24.2	17.6	363.7	335.8
III	136.6	373.5	969.4	1,020.3	589.7	20.2	24.4	17.9	368.2	341.0
IV	146.2	380.2	989.0	1,027.4	592.8	20.1	24.5	18.1	371.9	345.9
2000: I	145.6	386.9	1,011.6	1,046.9	607.9	20.1	24.9	18.3	375.6	353.4
II	140.8	392.6	1,031.3	1,066.1	624.3	19.4	24.9	18.5	379.0	358.8
III	138.1	399.7	1,042.9	1,074.2	627.2	19.9	25.1	18.7	383.2	363.1

¹ Consists of aid to families with dependent children and, beginning with 1996, assistance programs operating under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Note.—The industry classification of wage and salary disbursements and proprietors' income is on an establishment basis and is based on the 1987 Standard Industrial Classification (SIC) beginning 1987 and on the 1972 SIC for earlier years shown.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-30.—*Disposition of personal income, 1959–2000*
[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Personal income	Less: Personal tax and nontax payments	Equals: Disposable personal income	Less: Personal outlays				Equals: Personal saving	Percent of disposable personal income ¹			
				Total	Personal consumption expenditures	Interest paid by persons	Personal transfer payments to rest of the world (net)		Personal outlays		Personal saving	
									Total	Personal consumption expenditures		
1959	394.0	42.8	351.2	324.7	318.1	6.1	0.5	26.5	92.4	90.6	7.6	
1960	412.7	46.6	366.2	339.8	332.3	7.0	.5	26.4	92.8	90.7	7.2	
1961	430.3	47.9	382.4	350.5	342.7	7.3	.5	31.9	91.7	89.6	8.3	
1962	457.9	52.3	405.6	372.2	363.8	7.8	.5	33.5	91.7	89.7	8.3	
1963	481.0	55.3	425.8	392.7	383.1	8.9	.7	33.1	92.2	90.0	7.8	
1964	515.8	52.8	463.0	422.4	411.7	10.0	.7	40.5	91.2	88.9	8.8	
1965	557.4	58.4	498.9	456.2	444.3	11.1	.8	42.7	91.4	89.0	8.6	
1966	606.4	67.3	539.1	494.6	481.8	12.0	.8	44.5	91.7	89.4	8.3	
1967	650.4	74.2	576.2	522.3	508.7	12.5	1.0	54.0	90.6	88.3	9.4	
1968	714.5	88.3	626.2	573.6	558.7	13.8	1.0	52.7	91.6	89.2	8.4	
1969	780.8	105.9	675.0	622.3	605.5	15.7	1.1	52.6	92.2	89.7	7.8	
1970	841.1	104.6	736.5	667.0	648.9	16.8	1.3	69.5	90.6	88.1	9.4	
1971	905.1	103.4	801.7	721.6	702.4	17.8	1.3	80.1	90.0	87.6	10.0	
1972	994.3	125.6	868.6	791.7	770.7	19.6	1.4	76.9	91.1	88.7	8.9	
1973	1,113.4	134.5	979.0	876.5	852.5	22.4	1.5	102.5	89.5	87.1	10.5	
1974	1,225.6	153.3	1,072.3	957.9	932.4	24.2	1.3	114.3	89.3	87.0	10.7	
1975	1,331.7	150.3	1,181.4	1,056.2	1,030.3	24.5	1.3	125.2	89.4	87.2	10.6	
1976	1,475.4	175.5	1,299.9	1,177.8	1,149.8	26.6	1.3	122.1	90.6	88.5	9.4	
1977	1,637.1	201.2	1,436.0	1,310.4	1,278.4	30.7	1.3	125.6	91.3	89.0	8.7	
1978	1,848.3	233.5	1,614.8	1,469.4	1,430.4	37.5	1.5	145.4	91.0	88.6	9.0	
1979	2,081.5	273.3	1,808.2	1,642.4	1,596.3	44.5	1.6	165.8	90.8	88.3	9.2	
1980	2,323.9	304.2	2,019.8	1,814.1	1,762.9	49.4	1.8	205.6	89.8	87.3	10.2	
1981	2,599.4	351.5	2,247.9	2,004.2	1,944.2	54.6	5.5	243.7	89.2	86.5	10.8	
1982	2,768.4	361.6	2,406.8	2,144.6	2,079.3	58.8	6.5	262.2	89.1	86.4	10.9	
1983	2,946.9	360.9	2,586.0	2,358.2	2,286.4	65.0	6.8	227.8	91.2	88.4	8.8	
1984	3,274.8	387.2	2,887.6	2,581.1	2,498.4	75.0	7.7	306.5	89.4	86.5	10.6	
1985	3,515.0	428.5	3,086.5	2,803.9	2,712.6	83.2	8.1	282.6	90.8	87.9	9.2	
1986	3,712.4	449.9	3,262.5	2,994.7	2,895.2	90.6	9.0	267.8	91.8	88.7	8.2	
1987	3,962.5	503.0	3,459.5	3,206.7	3,105.3	91.5	9.9	252.8	92.7	89.8	7.3	
1988	4,272.1	519.7	3,752.4	3,460.1	3,356.6	92.9	10.6	292.3	92.2	89.5	7.8	
1989	4,599.8	583.5	4,016.3	3,714.4	3,596.7	106.4	11.4	301.8	92.5	89.6	7.5	
1990	4,903.2	609.6	4,293.6	3,959.3	3,831.5	115.8	12.0	334.3	92.2	89.2	7.8	
1991	5,085.4	610.5	4,474.8	4,103.2	3,971.2	118.9	13.0	371.7	91.7	88.7	8.3	
1992	5,390.4	635.8	4,754.6	4,340.9	4,209.7	118.7	12.5	413.7	91.3	88.5	8.7	
1993	5,610.0	674.6	4,935.3	4,584.5	4,454.7	115.4	14.4	350.8	92.9	90.3	7.1	
1994	5,888.0	722.6	5,165.4	4,849.9	4,716.4	117.9	15.6	315.5	93.9	91.3	6.1	
1995	6,200.9	778.3	5,422.6	5,120.2	4,969.0	134.7	16.5	302.4	94.4	91.6	5.6	
1996	6,547.4	869.7	5,677.7	5,405.6	5,237.5	149.9	18.2	272.1	95.2	92.2	4.8	
1997	6,937.0	968.8	5,968.2	5,715.3	5,529.3	164.8	21.2	252.9	95.8	92.6	4.2	
1998	7,391.0	1,070.9	6,320.0	6,054.7	5,850.9	179.8	24.0	265.4	95.8	92.6	4.2	
1999	7,789.6	1,152.0	6,637.7	6,490.1	6,268.7	194.8	26.6	147.6	97.8	94.4	2.2	
1995: I	6,109.9	751.8	5,358.1	5,012.1	4,868.6	127.5	15.9	346.0	93.5	90.9	6.5	
II	6,163.3	780.5	5,382.8	5,091.3	4,943.7	132.1	15.6	291.5	94.6	91.8	5.4	
III	6,225.9	781.6	5,444.4	5,158.4	5,005.2	136.8	16.4	285.9	94.7	91.9	5.3	
IV	6,304.6	799.5	5,505.1	5,218.8	5,058.4	142.4	18.0	286.3	94.8	91.9	5.2	
1996: I	6,405.1	830.7	5,574.4	5,292.2	5,130.5	144.3	17.4	282.2	94.9	92.0	5.1	
II	6,509.4	872.5	5,637.0	5,383.9	5,218.0	147.9	18.0	253.1	95.5	92.6	4.5	
III	6,597.1	877.3	5,719.8	5,433.7	5,263.7	151.8	18.2	286.1	95.0	92.0	5.0	
IV	6,677.9	898.1	5,779.7	5,512.6	5,337.9	155.5	19.3	267.1	95.4	92.4	4.6	
1997: I	6,792.4	935.1	5,857.3	5,609.2	5,429.9	159.0	20.3	248.1	95.8	92.7	4.2	
II	6,879.1	954.9	5,924.2	5,654.1	5,470.8	162.9	20.4	270.1	95.4	92.3	4.6	
III	6,978.6	978.9	5,999.7	5,763.7	5,575.9	166.5	21.2	236.0	96.1	92.9	3.9	
IV	7,097.9	1,006.3	6,091.6	5,834.3	5,640.6	170.9	22.9	257.3	95.8	92.6	4.2	
1998: I	7,230.7	1,035.8	6,194.9	5,909.2	5,712.6	174.0	22.6	285.6	95.4	92.2	4.6	
II	7,339.5	1,056.4	6,283.1	6,012.9	5,811.4	177.4	24.1	270.2	95.7	92.5	4.3	
III	7,445.1	1,084.0	6,361.1	6,099.5	5,893.4	181.8	24.3	261.6	95.9	92.6	4.1	
IV	7,548.6	1,107.5	6,441.1	6,197.1	5,986.0	186.0	25.1	244.0	96.2	92.9	3.8	
1999: I	7,628.1	1,113.2	6,514.9	6,310.3	6,095.3	189.5	25.6	204.6	96.9	93.6	3.1	
II	7,729.7	1,133.4	6,596.3	6,432.8	6,213.2	192.9	26.7	163.6	97.5	94.2	2.5	
III	7,828.5	1,164.0	6,664.5	6,543.3	6,319.9	196.8	26.6	121.1	98.2	94.8	1.8	
IV	7,972.3	1,197.3	6,775.0	6,674.1	6,446.2	200.2	27.6	101.0	98.5	95.1	1.5	
2000: I	8,105.8	1,239.3	6,866.5	6,855.6	6,621.7	205.3	28.5	11.0	99.8	96.4	.2	
II	8,242.1	1,277.2	6,964.9	6,944.3	6,706.3	209.7	28.3	20.6	99.7	96.3	-.3	
III	8,349.0	1,308.1	7,040.9	7,054.7	6,810.8	214.4	29.5	-13.8	100.2	96.7	-.2	

¹ Percents based on data in millions of dollars.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-31.—*Total and per capita disposable personal income and personal consumption expenditures, and per capita gross domestic product, in current and real dollars, 1959–2000*

[Quarterly data at seasonally adjusted annual rates, except as noted]

Year or quarter	Disposable personal income				Personal consumption expenditures				Gross domestic product per capita		Population (thousands) ¹	
	Total (billions of dollars)		Per capita (dollars)		Total (billions of dollars)		Per capita (dollars)		Current dollars			
	Current dollars	Chained (1996) dollars	Current dollars	Chained (1996) dollars	Current dollars	Chained (1996) dollars	Current dollars	Chained (1996) dollars	Current dollars	Chained (1996) dollars		
1959	351.2	1,623.8	1,983	9,167	318.1	1,470.7	1,796	8,303	2,865	13,092	177,130	
1960	366.2	1,664.8	2,026	9,210	332.3	1,510.8	1,838	8,358	2,918	13,148	180,760	
1961	382.4	1,720.0	2,081	9,361	342.7	1,541.2	1,865	8,388	2,970	13,236	183,742	
1962	405.6	1,803.5	2,174	9,666	363.8	1,617.3	1,950	8,668	3,143	13,821	186,590	
1963	425.8	1,871.5	2,249	9,886	383.1	1,684.0	2,024	8,896	3,268	14,212	189,300	
1964	463.0	2,006.9	2,412	10,456	411.7	1,784.8	2,145	9,300	3,462	14,831	191,927	
1965	498.9	2,131.0	2,567	10,965	444.3	1,897.6	2,286	9,764	3,705	15,583	194,347	
1966	539.1	2,244.6	2,742	11,417	481.8	2,006.1	2,451	10,204	4,015	16,416	196,599	
1967	576.2	2,340.5	2,899	11,776	508.7	2,066.2	2,559	10,396	4,197	16,646	198,752	
1968	626.2	2,448.2	3,119	12,196	558.7	2,184.2	2,783	10,881	4,540	17,266	200,745	
1969	675.0	2,524.3	3,329	12,451	605.5	2,264.8	2,987	11,171	4,860	17,616	202,736	
1970	736.5	2,630.0	3,591	12,823	648.9	2,317.5	3,164	11,300	5,069	17,446	205,089	
1971	801.7	2,745.3	3,860	13,218	702.4	2,405.2	3,382	11,581	5,434	17,804	207,692	
1972	868.6	2,874.3	4,138	13,692	770.7	2,550.5	3,671	12,149	5,909	18,570	209,924	
1973	979.0	3,072.3	4,619	14,496	852.5	2,675.9	4,022	12,626	6,537	19,456	211,939	
1974	1,072.3	3,051.9	5,013	14,268	932.4	2,653.7	4,359	12,407	7,017	19,163	213,898	
1975	1,181.4	3,108.5	5,470	14,393	1,030.3	2,710.9	4,771	12,551	7,571	18,911	215,981	
1976	1,299.9	3,243.5	5,960	14,873	1,149.8	2,868.9	5,272	13,155	8,363	19,771	218,086	
1977	1,436.0	3,360.7	6,519	15,256	1,278.4	2,992.1	5,803	13,583	9,221	20,481	220,289	
1978	1,614.8	3,527.5	7,253	15,845	1,430.4	3,124.7	6,425	14,035	10,313	21,383	222,629	
1979	1,808.2	3,628.6	8,033	16,120	1,596.3	3,203.2	7,091	14,230	11,401	21,821	225,106	
1980	2,019.8	3,658.0	8,869	16,063	1,762.9	3,193.0	7,741	14,021	12,276	21,521	227,726	
1981	2,247.9	3,741.1	9,773	16,265	1,944.2	3,236.0	8,453	14,069	13,614	21,830	230,008	
1982	2,406.8	3,791.7	10,364	16,328	2,079.3	3,275.5	8,954	14,105	14,035	21,184	232,218	
1983	2,586.0	3,906.9	11,036	16,673	2,286.4	3,454.3	9,757	14,741	15,085	21,902	234,332	
1984	2,887.6	4,207.6	12,215	17,799	2,498.4	3,640.6	10,569	15,401	16,636	23,288	236,394	
1985	3,086.5	4,347.8	12,941	18,229	2,712.6	3,820.9	11,373	16,020	17,664	23,970	238,506	
1986	3,262.5	4,486.6	13,555	18,641	2,895.2	3,981.2	12,029	16,541	18,501	24,565	240,682	
1987	3,459.5	4,582.5	14,246	18,870	3,105.3	4,113.4	12,787	16,938	19,529	25,174	242,842	
1988	3,752.4	4,784.1	15,312	19,522	3,356.6	4,279.5	13,697	17,463	20,845	25,987	245,061	
1989	4,016.3	4,906.5	16,235	19,833	3,596.7	4,393.7	14,539	17,760	22,188	26,646	247,387	
1990	4,293.6	5,014.2	17,176	20,058	3,831.5	4,474.5	15,327	17,899	23,215	26,834	249,981	
1991	4,474.8	5,033.0	17,710	19,919	3,971.2	4,466.6	15,717	17,677	23,691	26,423	252,677	
1992	4,754.6	5,189.3	18,616	20,318	4,209.7	4,594.5	16,482	17,989	24,741	26,938	255,403	
1993	4,935.3	5,261.3	19,121	20,384	4,454.7	4,748.9	17,259	18,399	25,735	27,363	258,107	
1994	5,165.4	5,397.2	19,820	20,709	4,716.4	4,928.1	18,097	18,910	27,068	28,194	260,616	
1995	5,422.6	5,539.1	20,613	21,055	4,969.0	5,075.6	18,888	19,294	28,131	28,676	263,073	
1996	5,677.7	5,677.7	21,385	21,385	5,237.5	5,237.5	19,727	19,727	29,428	29,428	265,504	
1997	5,968.2	5,854.5	22,262	21,838	5,529.3	5,423.9	20,625	20,232	31,029	30,436	268,087	
1998	6,320.0	6,134.1	23,359	22,672	5,850.9	5,678.7	21,625	20,989	32,489	31,474	270,560	
1999	6,637.7	6,331.0	24,314	23,191	6,268.7	5,978.8	22,962	21,901	34,063	32,512	272,996	
1995:I	5,358.1	5,515.4	20,441	21,041	4,868.6	5,011.6	18,573	19,119	27,839	28,569	262,129	
1995:II	5,382.8	5,509.0	20,489	20,970	4,943.7	5,059.6	18,818	19,259	27,949	28,561	262,714	
1995:III	5,444.4	5,546.6	20,670	21,058	5,005.2	5,099.2	19,002	19,359	28,219	28,707	263,400	
1995:IV	5,505.1	5,585.3	20,849	21,153	5,058.4	5,132.1	19,157	19,436	28,515	28,866	264,047	
1996:I	5,574.4	5,622.0	21,072	21,252	5,130.5	5,174.3	19,394	19,560	28,841	29,018	264,542	
1996:II	5,637.0	5,649.4	21,261	21,308	5,218.0	5,229.5	19,681	19,724	29,354	29,430	265,134	
1996:III	5,719.8	5,709.7	21,517	21,478	5,263.7	5,254.3	19,801	19,765	29,564	29,499	265,834	
1996:IV	5,779.7	5,729.9	21,687	21,500	5,337.9	5,291.9	20,029	19,857	29,948	29,761	266,504	
1997:I	5,857.3	5,771.8	21,929	21,609	5,429.9	5,350.7	20,329	20,032	30,416	30,012	267,105	
1997:II	5,924.2	5,821.2	22,129	21,744	5,470.8	5,375.7	20,435	20,080	30,928	30,376	267,713	
1997:III	5,993.7	5,877.3	22,351	21,895	5,575.9	5,462.1	20,772	20,348	31,259	30,609	268,433	
1997:IV	6,091.6	5,947.5	22,637	22,102	5,640.6	5,507.1	20,961	20,465	31,508	30,743	269,096	
1998:I	6,194.9	6,042.8	22,976	22,412	5,712.6	5,572.4	21,188	20,667	32,025	31,173	269,623	
1998:II	6,283.1	6,110.3	23,254	22,615	5,811.4	5,651.6	21,509	20,917	32,281	31,332	270,188	
1998:III	6,361.1	6,164.1	23,483	22,756	5,893.4	5,711.0	21,756	21,083	32,594	31,518	270,882	
1998:IV	6,441.1	6,219.2	23,720	22,903	5,986.0	5,779.8	22,044	21,285	33,051	31,871	271,548	
1999:I	6,514.9	6,263.7	23,946	23,022	6,095.3	5,860.2	22,403	21,539	33,464	32,087	272,070	
1999:II	6,596.3	6,306.6	24,196	23,133	6,213.2	5,940.2	22,791	21,789	33,716	32,218	272,619	
1999:III	6,664.5	6,341.7	24,384	23,203	6,319.9	6,013.8	23,123	22,003	34,176	32,584	273,315	
1999:IV	6,775.0	6,412.2	24,728	23,404	6,446.2	6,101.0	23,528	22,268	34,892	33,156	273,980	
2000:I	6,866.5	6,443.1	25,014	23,472	6,621.7	6,213.5	24,122	22,635	35,528	33,485	274,508	
2000:II	6,964.9	6,502.0	25,322	23,639	6,706.3	6,260.6	24,381	22,761	36,158	33,880	275,059	
2000:III	7,040.9	6,543.7	25,535	23,732	6,810.8	6,329.8	24,701	22,956	36,410	33,980	275,735	

¹Population of the United States including Armed Forces overseas; includes Alaska and Hawaii beginning 1960. Annual data are averages of quarterly data. Quarterly data are averages for the period.

Source: Department of Commerce (Bureau of Economic Analysis and Bureau of the Census).

TABLE B-32.—*Gross saving and investment, 1959–2000*
[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross saving													
	Gross private saving							Gross government saving						
	Total	Total	Personal saving	Gross business saving				Total	Federal			State and local		
				Total ¹	Undistributed corporate profits ²	Corporate consumption of fixed capital	Noncorporate consumption of fixed capital		Total	Consumption of fixed capital	Current surplus or deficit (–)	Total	Consumption of fixed capital	Current surplus or deficit (–)
1959	105.8	84.2	26.5	57.7	17.5	23.7	16.5	21.6	13.6	10.4	3.2	8.0	4.2	3.8
1960	110.9	84.4	26.4	58.0	16.3	24.7	17.1	26.5	17.8	10.7	7.1	8.7	4.4	4.3
1961	113.9	91.5	31.9	59.6	16.8	25.2	17.6	22.5	13.5	11.0	2.5	9.0	4.7	4.3
1962	124.6	100.4	33.5	66.9	22.6	26.2	18.1	24.2	14.0	11.6	2.4	10.2	5.0	5.2
1963	132.8	104.3	33.1	71.2	25.2	27.2	18.7	28.5	17.5	12.3	5.2	11.0	5.4	5.7
1964	143.0	117.6	40.5	77.1	28.6	28.7	19.7	25.5	13.4	12.5	8	12.1	5.7	6.4
1965	158.1	129.4	42.7	86.7	34.9	30.8	21.0	28.8	16.0	12.8	3.2	12.7	6.2	6.5
1966	169.1	138.5	44.5	94.0	37.6	33.7	22.6	30.7	16.1	13.3	2.7	14.6	6.9	7.7
1967	171.1	150.8	54.0	96.8	35.4	37.1	24.3	29.3	5.8	14.2	–8.3	14.5	7.5	7.0
1968	183.3	153.7	52.7	101.0	33.6	41.1	26.4	29.6	13.8	15.1	–1.3	15.8	8.3	7.5
1969	199.8	157.0	52.6	104.4	29.8	45.6	29.0	42.8	25.5	15.9	9.6	17.3	9.3	8.0
1970	194.3	174.3	69.5	104.8	23.0	50.5	31.4	20.0	2.3	16.7	–14.4	17.6	10.6	7.1
1971	211.4	202.6	80.1	122.5	32.4	55.4	34.4	8.8	–9.5	17.4	–26.8	18.2	11.8	6.4
1972	241.6	217.0	76.9	140.1	41.1	60.9	38.5	24.6	–3.8	18.7	–22.5	28.4	12.9	15.6
1973	294.6	256.4	102.5	153.9	44.8	66.8	42.3	38.2	8.3	19.5	–11.2	30.0	14.3	15.7
1974	304.0	270.7	114.3	156.4	29.5	78.5	48.4	33.3	6.4	20.2	–13.9	27.0	17.7	9.3
1975	298.4	323.5	125.2	198.3	49.1	94.0	55.2	–25.1	–47.7	21.6	–69.3	22.7	20.2	2.4
1976	342.7	344.0	122.1	221.9	57.3	104.5	60.0	–1.3	–29.9	23.2	–53.0	28.6	21.3	7.3
1977	398.2	383.1	125.6	257.5	73.1	117.5	66.9	15.1	–20.6	24.6	–45.2	35.7	22.6	13.1
1978	481.6	439.1	145.4	293.7	82.9	134.5	76.2	42.5	–6	26.3	–26.9	43.1	24.4	18.7
1979	544.9	487.8	165.8	322.0	77.0	156.4	88.5	57.1	16.6	28.0	–11.4	40.5	27.4	13.0
1980	555.5	537.8	205.6	332.2	49.6	181.1	101.5	17.7	–22.8	30.9	–53.8	40.6	31.7	8.8
1981	656.5	631.7	243.7	388.0	64.1	210.1	113.7	24.8	–18.9	34.7	–53.7	43.8	36.3	7.5
1982	625.7	681.6	262.2	419.4	61.9	233.4	124.0	–55.9	–93.1	39.5	–132.6	37.2	39.5	–2.3
1983	608.0	693.8	227.8	466.0	93.2	244.4	128.3	–85.7	–131.5	42.4	–173.9	45.7	40.9	4.8
1984	769.4	824.8	306.5	518.3	124.7	260.2	133.4	–55.4	–121.6	46.4	–168.1	66.2	42.4	23.8
1985	772.5	833.4	282.6	550.8	128.3	280.9	141.7	–60.9	–127.9	49.3	–177.1	67.0	44.7	22.3
1986	735.9	806.5	267.8	538.7	88.0	302.1	148.7	–70.5	–139.2	52.9	–192.1	68.7	47.9	20.8
1987	810.4	838.3	252.8	585.5	107.3	320.8	157.4	–27.9	–91.6	56.3	–147.9	63.7	51.5	12.2
1988	936.2	943.0	292.3	650.7	138.3	344.3	168.1	–6.7	–77.2	60.2	–137.4	70.5	54.9	15.6
1989	967.6	955.1	301.8	653.3	99.2	370.6	183.4	12.5	–65.6	64.4	–130.0	78.1	58.8	19.3
1990	977.7	1,016.2	334.3	681.9	102.4	391.1	188.4	–38.6	–104.3	68.7	–173.0	65.7	63.1	2.6
1991	1,015.8	1,098.9	371.7	727.2	119.2	411.2	196.8	–83.2	–142.3	73.0	–215.3	59.1	66.9	–7.8
1992	1,007.4	1,164.6	413.7	750.9	124.4	427.9	214.3	–157.2	–222.2	75.4	–297.5	65.0	69.9	–4.9
1993	1,039.4	1,159.4	350.8	808.6	142.0	448.5	211.6	–120.0	–195.4	78.7	–274.1	75.4	73.9	1.5
1994	1,155.9	1,199.3	315.5	883.8	151.6	482.7	231.9	–43.4	–130.9	81.4	–212.3	87.5	78.9	8.6
1995	1,257.5	1,266.0	302.4	963.6	203.6	512.1	231.5	–8.5	–108.0	84.0	–192.0	99.4	84.1	15.3
1996	1,349.3	1,290.4	272.1	1,018.3	232.7	543.5	238.5	58.9	–51.5	85.3	–136.8	110.4	88.9	21.4
1997	1,502.3	1,343.7	252.9	1,090.8	261.3	581.5	250.9	158.6	33.4	86.8	–53.3	125.1	94.2	31.0
1998	1,654.4	1,375.7	265.4	1,110.3	218.9	624.3	265.1	278.7	137.4	88.4	49.0	141.2	99.5	41.7
1999	1,717.6	1,343.5	147.6	1,195.9	229.4	676.9	284.5	374.0	217.3	92.8	124.4	156.8	106.8	50.0
1995:I	1,238.0	1,264.9	346.0	918.9	178.4	497.5	226.7	–26.8	–124.9	83.3	–208.3	98.1	82.2	15.9
1995:II	1,233.1	1,240.2	291.5	948.7	195.6	507.8	228.9	–7.0	–105.1	83.9	–188.9	98.1	83.5	14.6
1995:III	1,260.1	1,271.3	285.9	985.4	222.0	516.3	230.8	–11.2	–113.4	84.1	–197.6	102.3	84.8	17.5
1995:IV	1,298.5	1,287.6	286.3	1,001.3	218.4	527.0	239.6	10.9	–88.4	84.8	–173.2	99.3	86.1	13.3
1996:I	1,295.6	1,282.7	282.2	1,000.5	230.8	531.5	234.6	12.9	–91.5	85.0	–176.5	104.3	87.3	17.0
1996:II	1,328.2	1,264.6	253.1	1,011.5	232.6	538.7	236.6	63.5	–51.9	85.1	–137.0	115.4	88.3	27.2
1996:III	1,372.8	1,305.6	286.1	1,019.5	228.4	547.5	240.1	67.2	–44.6	85.5	–130.1	111.8	89.5	22.3
1996:IV	1,400.5	1,308.6	267.1	1,041.5	238.9	556.2	242.7	92.0	–18.0	85.7	–103.7	109.9	90.7	19.3
1997:I	1,422.1	1,306.8	248.1	1,058.7	250.1	565.6	245.9	115.3	–3	86.2	–86.5	115.6	92.1	23.5
1997:II	1,492.9	1,354.2	270.1	1,084.1	261.9	576.0	249.1	138.7	18.5	86.6	–68.0	120.2	93.6	26.6
1997:III	1,528.4	1,345.1	236.0	1,109.1	272.5	587.0	252.6	183.3	53.1	86.8	–33.7	130.2	94.7	35.5
1997:IV	1,565.8	1,368.8	257.3	1,111.5	260.8	597.6	256.0	197.0	62.4	87.5	–25.0	134.6	96.3	38.3
1998:I	1,634.3	1,385.3	285.6	1,099.7	231.6	606.8	259.2	248.9	113.4	87.5	25.9	135.5	97.4	38.1
1998:II	1,633.1	1,371.4	270.2	1,101.2	218.4	617.8	262.8	261.7	129.8	87.9	41.9	131.9	98.5	33.4
1998:III	1,676.7	1,378.3	261.6	1,116.7	217.6	630.1	267.0	298.4	160.6	88.7	71.9	137.8	100.3	37.5
1998:IV	1,673.5	1,367.9	244.0	1,123.9	208.0	642.5	271.3	305.7	145.9	89.5	56.4	159.8	102.1	57.7
1999:I	1,715.5	1,383.2	204.6	1,178.6	243.1	654.4	276.0	332.3	180.6	90.9	89.7	151.7	103.7	47.9
1999:II	1,691.7	1,338.5	163.6	1,174.9	218.7	670.7	280.3	353.3	209.5	92.0	117.5	143.7	105.8	38.0
1999:III	1,716.8	1,321.1	121.1	1,200.0	214.0	687.7	293.1	395.7	240.6	93.4	147.3	155.1	107.7	47.4
1999:IV	1,746.3	1,331.4	101.0	1,230.4	241.7	694.8	288.7	414.9	238.4	95.0	143.3	176.6	109.9	66.6
2000:I	1,777.0	1,279.2	11.0	1,268.2	262.7	711.5	294.1	497.7	333.0	97.2	235.8	164.7	112.7	52.0
2000:II	1,844.5	1,328.8	20.6	1,308.2	278.5	731.1	298.7	515.7	339.9	98.9	240.9	175.8	115.6	60.1
2000:III	1,854.7	1,319.2	–13.8	1,333.0	279.6	750.0	303.3	535.5	354.1	100.8	253.3	181.4	118.2	63.2

¹ Includes private wage accruals less disbursements not shown separately.

² With inventory valuation and capital consumption adjustments.

See next page for continuation of table.

TABLE B-32.—*Gross saving and investment, 1959–2000*—Continued
[Billions of dollars, except as noted; quarterly data at seasonally adjusted annual rates]

Year or quarter	Gross investment				Statistical discrepancy	Addenda:	
	Total	Gross private domestic investment	Gross government investment ³	Net foreign investment ⁴		Gross saving as a percent of gross national product	Personal saving as a percent of disposable personal income
1959	106.7	78.5	29.3	-1.2	0.8	20.7	7.6
1960	110.4	78.9	28.3	3.2	-6	20.9	7.2
1961	113.8	78.2	31.3	4.3	-2	20.7	8.3
1962	125.3	88.1	33.3	3.9	.7	21.1	8.3
1963	132.4	93.8	33.6	5.0	-.4	21.3	7.8
1964	144.2	102.1	34.6	7.5	1.2	21.4	8.8
1965	160.0	118.2	35.6	6.2	1.9	21.8	8.6
1966	175.6	131.3	40.4	3.9	6.4	21.3	8.3
1967	175.9	128.6	43.8	3.5	4.8	20.4	9.4
1968	187.6	141.2	44.7	1.7	4.3	20.0	8.4
1969	202.7	156.4	44.4	1.8	2.9	20.1	7.8
1970	201.2	152.4	44.8	4.0	6.9	18.6	9.4
1971	222.7	178.2	44.0	.6	11.3	18.6	10.0
1972	250.3	207.6	46.3	-3.6	8.7	19.3	8.9
1973	302.6	244.5	49.4	8.7	8.0	21.1	10.5
1974	314.0	249.4	57.4	7.1	10.0	20.0	10.7
1975	316.1	230.2	64.5	21.4	17.7	18.1	10.6
1976	367.2	292.0	66.4	8.9	24.5	18.6	9.4
1977	419.8	361.3	67.5	-9.0	21.6	19.4	8.7
1978	502.6	436.0	77.1	-10.4	21.0	20.8	9.0
1979	580.6	490.6	88.5	1.4	35.7	21.0	9.2
1980	589.5	477.9	100.3	11.4	33.9	19.6	10.2
1981	684.0	570.8	106.9	6.3	27.5	20.7	10.8
1982	628.2	516.1	112.3	-.2	2.5	19.0	10.9
1983	655.0	564.2	122.8	-32.0	47.0	17.0	8.8
1984	787.9	735.5	139.4	-87.0	18.6	19.4	10.6
1985	784.2	736.3	158.8	-110.9	11.7	18.2	9.2
1986	779.8	747.2	173.2	-140.6	43.9	16.5	8.2
1987	813.8	781.5	184.3	-152.0	3.3	17.0	7.3
1988	894.0	821.1	186.2	-113.2	-42.2	18.3	7.8
1989	983.9	872.9	197.7	-86.7	16.3	17.6	7.5
1990	1,008.2	861.7	215.8	-69.2	30.6	16.8	7.8
1991	1,035.4	800.2	220.3	14.9	19.6	16.9	8.3
1992	1,051.1	866.6	223.1	-38.7	43.7	15.9	8.7
1993	1,103.2	955.1	220.9	-72.9	63.8	15.6	7.1
1994	1,214.4	1,097.1	225.6	-108.3	58.5	16.3	6.1
1995	1,284.0	1,143.8	238.2	-98.0	26.5	16.9	5.6
1996	1,382.1	1,242.7	250.1	-110.7	32.8	17.2	4.8
1997	1,532.1	1,390.5	264.6	-123.1	29.7	18.0	4.2
1998	1,629.6	1,549.9	278.8	-199.1	-24.8	18.8	4.2
1999	1,645.6	1,650.1	308.7	-313.2	-71.9	18.5	2.2
1995:I	1,291.7	1,162.8	236.4	-107.5	53.7	16.9	6.5
II	1,258.0	1,133.1	241.0	-116.1	24.9	16.7	5.4
III	1,263.3	1,123.5	236.4	-96.7	3.1	16.9	5.3
IV	1,322.9	1,155.6	238.9	-71.6	24.4	17.2	5.2
1996:I	1,330.0	1,172.4	248.3	-90.7	34.4	16.9	5.1
II	1,377.7	1,231.5	253.0	-106.7	49.6	17.0	4.5
III	1,397.9	1,282.6	249.9	-134.5	25.1	17.4	5.0
IV	1,422.8	1,284.3	249.4	-111.0	22.3	17.5	4.6
1997:I	1,462.8	1,324.2	256.0	-117.5	40.6	17.5	4.2
II	1,562.4	1,397.7	264.8	-100.2	69.5	18.0	4.6
III	1,555.4	1,405.7	269.8	-120.2	26.9	18.2	3.9
IV	1,547.8	1,434.5	267.7	-154.4	-18.0	18.5	4.2
1998:I	1,650.6	1,532.1	269.9	-151.3	16.4	18.9	4.6
II	1,612.3	1,523.9	277.6	-189.3	-20.8	18.7	4.3
III	1,613.0	1,553.0	284.7	-224.7	-63.7	19.0	4.1
IV	1,642.6	1,590.8	283.1	-231.3	-31.0	18.7	3.8
1999:I	1,661.9	1,609.8	298.9	-246.8	-53.6	18.9	3.1
II	1,614.9	1,607.9	303.5	-296.5	-76.8	18.4	2.5
III	1,627.3	1,659.1	308.0	-339.8	-89.5	18.4	1.8
IV	1,678.5	1,723.7	324.4	-369.6	-67.8	18.3	1.5
2000:I	1,699.3	1,755.7	334.2	-390.7	-77.7	18.2	.2
II	1,771.9	1,852.6	331.9	-412.5	-72.5	18.6	.3
III	1,752.8	1,869.3	333.6	-450.1	-101.8	18.5	-.2

³ For details on government investment, see Table B-20.

⁴ Net exports of goods and services plus net income receipts from rest of the world less net transfers.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-33.—Median money income (in 1999 dollars) and poverty status of families and persons, by race, selected years, 1981–99

Year	Families ¹						Persons below poverty level		Median money income (in 1999 dollars) of persons 15 years old and over with income ²			
	Num-ber (mil-lions)	Median money income (in 1999 dol-lars) ²	Below poverty level				Num-ber (mil-lions)	Per-cent	Males		Females	
			Total		Female householder				All persons	Year-round full-time workers	All persons	Year-round full-time workers
			Num-ber (mil-lions)	Per-cent	Num-ber (mil-lions)	Per-cent						
ALL RACES												
1981 ³	61.0	\$41,397	6.9	11.2	3.3	34.6	31.8	14.0	\$24,912	\$38,261	\$10,092	\$23,034
1982	61.4	40,836	7.5	12.2	3.4	36.3	34.4	15.0	24,310	37,738	10,259	23,810
1983 ⁴	62.0	41,272	7.6	12.3	3.6	36.0	35.3	15.2	24,523	37,646	10,714	24,234
1984	62.7	42,385	7.3	11.6	3.5	34.5	33.7	14.4	25,015	38,490	11,013	24,729
1985	63.6	42,943	7.2	11.4	3.5	34.0	33.1	14.0	25,255	38,707	11,174	25,163
1986	64.5	44,779	7.0	10.9	3.6	34.6	32.4	13.6	26,014	39,361	11,568	25,603
1987 ⁵	65.2	45,419	7.0	10.7	3.7	34.2	32.2	13.4	26,084	39,129	12,165	25,758
1988	65.8	45,334	6.9	10.4	3.6	33.4	31.7	13.0	26,627	38,505	12,511	26,117
1989	66.1	45,967	6.8	10.3	3.5	32.2	31.5	12.8	26,728	38,182	12,930	26,385
1990	66.3	45,064	7.1	10.7	3.8	33.4	33.6	13.5	25,867	36,939	12,836	26,247
1991	67.2	43,961	7.7	11.5	4.2	35.6	35.7	14.2	25,038	37,101	12,814	25,987
1992 ⁶	68.2	43,428	8.1	11.9	4.3	35.4	38.0	14.8	24,290	36,612	12,722	26,234
1993	68.5	42,612	8.4	12.3	4.4	35.6	39.3	15.1	24,330	35,830	12,735	25,905
1994	69.3	43,597	8.1	11.6	4.2	34.6	38.1	14.5	24,417	35,537	12,890	26,154
1995	69.6	44,395	7.5	10.8	4.1	32.4	36.4	13.8	24,664	35,199	13,261	25,992
1996	70.2	44,916	7.7	11.0	4.2	32.6	36.5	13.7	25,308	35,611	13,607	26,477
1997	70.9	46,262	7.3	10.3	4.0	31.6	35.6	13.3	26,171	36,588	14,223	27,018
1998	71.6	47,769	7.2	10.0	3.8	29.9	34.5	12.7	27,077	37,053	14,749	27,448
1999	72.0	48,950	6.7	9.3	3.5	27.8	32.3	11.8	27,275	37,574	15,311	27,370
WHITE												
1981 ³	53.3	43,485	4.7	8.8	1.8	27.4	21.6	11.1	26,434	39,159	10,205	23,418
1982	53.4	42,875	5.1	9.6	1.8	27.9	23.5	12.0	25,701	38,743	10,399	24,131
1983 ⁴	53.9	43,217	5.2	9.7	1.9	28.3	24.0	12.1	25,799	38,651	10,901	24,558
1984	54.4	44,393	4.9	9.1	1.9	27.1	23.0	11.5	26,405	39,808	11,143	24,974
1985	55.0	45,136	5.0	9.1	2.0	27.4	22.9	11.4	26,493	39,781	11,391	25,520
1986	55.7	46,832	4.8	8.6	2.0	28.2	22.2	11.0	27,452	40,460	11,796	25,995
1987 ⁵	56.1	47,494	4.6	8.1	2.0	26.9	21.2	10.4	27,725	40,041	12,476	26,235
1988	56.5	47,762	4.5	7.9	1.9	26.5	20.7	10.1	28,108	39,801	12,820	26,508
1989	56.6	48,334	4.4	7.8	1.9	25.4	20.8	10.0	28,031	39,866	13,183	26,698
1990	56.8	47,055	4.6	8.1	2.0	26.8	22.3	10.7	26,985	38,343	13,151	26,563
1991	57.2	46,217	5.0	8.8	2.2	28.4	23.7	11.3	26,171	37,862	13,114	26,366
1992 ⁶	57.7	45,919	5.3	9.1	2.2	28.5	25.3	11.9	25,418	37,482	13,018	26,538
1993	57.9	45,310	5.5	9.4	2.4	29.2	26.2	12.2	25,343	36,700	12,989	26,493
1994	58.4	45,960	5.3	9.1	2.3	29.0	25.4	11.7	25,484	36,468	13,074	26,861
1995	58.9	46,619	5.0	8.5	2.2	26.6	24.4	11.2	26,121	36,638	13,464	26,525
1996	58.9	47,523	5.1	8.6	2.3	27.3	24.7	11.2	26,491	36,889	13,762	26,926
1997	59.5	48,531	5.0	8.4	2.3	27.7	24.4	11.0	27,108	37,491	14,316	27,476
1998	60.1	50,106	4.8	8.0	2.1	24.9	23.5	10.5	28,257	38,018	14,940	27,907
1999	60.3	51,224	4.4	7.3	1.9	22.5	21.9	9.8	28,564	39,331	15,362	28,023
BLACK												
1981 ³	6.4	24,530	2.0	30.8	1.4	52.9	9.2	34.2	15,719	27,706	9,066	21,150
1982	6.5	23,697	2.2	33.0	1.5	56.2	9.7	35.6	15,402	27,517	9,172	21,567
1983 ⁴	6.7	24,356	2.2	32.3	1.5	53.7	9.9	35.7	15,088	27,558	9,315	21,800
1984	6.8	24,743	2.1	30.9	1.5	51.7	9.5	33.8	15,149	27,168	9,884	22,506
1985	6.9	25,991	2.0	28.7	1.5	50.5	8.9	31.3	16,672	27,825	9,719	22,590
1986	7.1	26,759	2.0	28.0	1.5	50.1	9.0	31.1	16,450	28,526	9,981	22,746
1987 ⁵	7.2	26,993	2.1	28.4	1.6	51.1	9.5	32.4	16,447	28,630	10,191	23,433
1988	7.4	27,221	2.1	28.2	1.6	49.0	9.4	31.3	16,962	29,174	10,350	23,754
1989	7.5	27,152	2.1	27.8	1.5	46.5	9.3	30.7	16,941	27,817	10,581	24,011
1990	7.5	27,307	2.2	29.3	1.6	48.1	9.8	31.9	16,402	27,381	10,615	23,638
1991	7.7	26,358	2.3	30.4	1.8	51.2	10.2	32.7	15,856	27,679	10,784	23,405
1992 ⁶	8.0	25,058	2.5	31.1	1.9	50.2	10.8	33.4	15,513	27,301	10,553	24,055
1993	8.0	24,837	2.5	31.3	1.9	49.9	10.9	33.1	16,839	27,170	10,962	23,422
1994	8.1	27,764	2.2	27.3	1.7	46.2	10.2	30.6	16,842	27,435	11,853	23,189
1995	8.1	28,389	2.1	26.4	1.7	45.1	9.9	29.3	17,497	27,109	11,982	23,043
1996	8.5	28,162	2.2	26.1	1.7	43.7	9.7	28.4	17,510	28,814	12,500	23,349
1997	8.4	29,690	2.0	23.6	1.6	39.8	9.1	26.5	18,784	27,919	13,544	23,629
1998	8.5	30,053	2.0	23.4	1.6	40.8	9.1	26.1	19,748	28,079	13,427	24,391
1999	8.7	31,778	1.9	21.9	1.5	39.3	8.4	23.6	20,579	30,297	14,771	25,142

¹The term "family" refers to a group of two or more persons related by birth, marriage, or adoption and residing together. Every family must include a reference person. Beginning 1979, based on householder concept and restricted to primary families.

²Current dollar median money income adjusted by CPI-U-X1.

³Based on 1980 census population controls (beginning 1979); comparable with succeeding years.

⁴Reflects implementation of Hispanic population controls; comparable with succeeding years.

⁵Based on revised methodology; comparable with succeeding years.

⁶Based on 1990 census adjusted population controls; comparable with succeeding years.

Note.—Poverty rates (percent of persons below poverty level) for all races for years not shown above are: 1959, 22.4; 1960, 22.2; 1961, 21.9; 1962, 21.0; 1963, 19.5; 1964, 19.0; 1965, 17.3; 1966, 14.7; 1967, 14.2; 1968, 12.8; 1969, 12.1; 1970, 12.6; 1971, 12.5; 1972, 11.9; 1973, 11.1; 1974, 11.2; 1975, 12.3; 1976, 11.8; 1977, 11.6; 1978, 11.4; 1979, 11.7; and 1980, 13.0.

Poverty thresholds are updated each year to reflect changes in the consumer price index (CPI-U).

For details see "Current Population Reports," Series P-60.

Source: Department of Commerce, Bureau of the Census.

POPULATION, EMPLOYMENT, WAGES, AND PRODUCTIVITY

TABLE B-34.—*Population by age group, 1929–2000*
[Thousands of persons]

July 1	Total	Age (years)						
		Under 5	5-15	16-19	20-24	25-44	45-64	65 and over
1929	121,767	11,734	26,800	9,127	10,694	35,862	21,076	6,474
1933	125,579	10,612	26,897	9,302	11,152	37,319	22,933	7,363
1939	130,880	10,418	25,179	9,822	11,519	39,354	25,823	8,764
1940	132,122	10,579	24,811	9,895	11,690	39,868	26,249	9,031
1941	133,402	10,850	24,516	9,840	11,807	40,383	26,718	9,288
1942	134,860	11,301	24,231	9,730	11,955	40,861	27,196	9,584
1943	136,739	12,016	24,093	9,607	12,064	41,420	27,671	9,867
1944	138,397	12,524	23,949	9,561	12,062	42,016	28,138	10,147
1945	139,928	12,979	23,907	9,361	12,036	42,521	28,630	10,494
1946	141,389	13,244	24,103	9,119	12,004	43,027	29,064	10,828
1947	144,126	14,406	24,468	9,097	11,814	43,657	29,498	11,185
1948	146,631	14,919	25,209	8,952	11,794	44,288	29,931	11,538
1949	149,188	15,607	25,852	8,788	11,700	44,916	30,405	11,921
1950	152,271	16,410	26,721	8,542	11,680	45,672	30,849	12,397
1951	154,878	17,333	27,279	8,446	11,552	46,103	31,362	12,803
1952	157,553	17,312	28,894	8,414	11,350	46,495	31,884	13,203
1953	160,184	17,638	30,227	8,460	11,062	46,786	32,394	13,617
1954	163,026	18,057	31,480	8,637	10,832	47,001	32,942	14,076
1955	165,931	18,566	32,682	8,744	10,714	47,194	33,506	14,525
1956	168,903	19,003	33,994	8,916	10,616	47,379	34,057	14,938
1957	171,984	19,494	35,272	9,195	10,603	47,440	34,591	15,388
1958	174,882	19,887	36,445	9,543	10,756	47,337	35,109	15,806
1959	177,830	20,175	37,368	10,215	10,969	47,192	35,663	16,248
1960	180,671	20,341	38,494	10,683	11,134	47,140	36,203	16,675
1961	183,691	20,522	39,765	11,025	11,483	47,084	36,722	17,089
1962	186,538	20,469	41,205	11,180	11,959	47,013	37,255	17,457
1963	189,242	20,342	41,626	12,007	12,714	46,994	37,782	17,778
1964	191,889	20,165	42,297	12,736	13,269	46,958	38,338	18,127
1965	194,303	19,824	42,938	13,516	13,746	46,912	38,916	18,451
1966	196,560	19,208	43,702	14,311	14,050	47,001	39,534	18,755
1967	198,712	18,563	44,244	14,200	15,248	47,194	40,193	19,071
1968	200,706	17,913	44,622	14,452	15,786	47,721	40,846	19,365
1969	202,677	17,376	44,840	14,800	16,480	48,064	41,437	19,680
1970	205,052	17,166	44,816	15,289	17,202	48,473	41,999	20,107
1971	207,661	17,244	44,591	15,688	18,159	48,936	42,482	20,561
1972	209,896	17,101	44,203	16,039	18,153	50,482	42,898	21,020
1973	211,909	16,851	43,582	16,446	18,521	51,749	43,235	21,525
1974	213,854	16,487	42,989	16,769	18,975	53,051	43,522	22,061
1975	215,973	16,121	42,508	17,017	19,527	54,302	43,801	22,696
1976	218,035	15,617	42,099	17,194	19,986	55,852	44,008	23,278
1977	220,239	15,564	41,298	17,276	20,499	57,561	44,150	23,892
1978	222,585	15,735	40,428	17,288	20,946	59,400	44,286	24,502
1979	225,055	16,063	39,552	17,242	21,297	61,379	44,390	25,134
1980	227,726	16,451	38,838	17,167	21,590	63,470	44,504	25,707
1981	229,966	16,893	38,144	16,812	21,869	65,528	44,500	26,221
1982	232,188	17,228	37,784	16,332	21,902	67,692	44,462	26,787
1983	234,307	17,547	37,526	15,823	21,844	69,733	44,474	27,361
1984	236,348	17,695	37,461	15,295	21,737	71,735	44,547	27,878
1985	238,466	17,842	37,450	15,005	21,478	73,673	44,602	28,416
1986	240,651	17,963	37,404	15,024	20,942	75,651	44,660	29,008
1987	242,804	18,052	37,333	15,215	20,385	77,338	44,854	29,626
1988	245,021	18,195	37,593	15,198	19,846	78,595	45,471	30,124
1989	247,342	18,508	37,972	14,913	19,442	79,943	45,882	30,682
1990	249,973	18,853	38,600	14,462	19,307	81,216	46,295	31,241
1991	252,665	19,189	39,183	13,969	19,335	82,451	46,759	31,779
1992	255,410	19,492	39,855	13,739	19,173	82,514	48,342	32,296
1993	258,119	19,674	40,452	13,890	18,897	82,814	49,579	32,814
1994	260,637	19,700	41,084	14,144	18,492	83,119	50,888	33,211
1995	263,082	19,532	41,751	14,413	18,073	83,456	52,237	33,619
1996	265,502	19,292	42,244	14,920	17,596	83,777	53,716	33,957
1997	268,048	19,099	42,739	15,271	17,570	83,736	55,448	34,185
1998	270,509	18,989	43,064	15,663	17,761	83,400	57,247	34,385
1999	272,945	18,942	43,316	15,942	18,106	82,902	59,198	34,540
2000	275,372	18,936	43,605	15,952	18,552	82,374	61,136	34,817

Note.—Includes Armed Forces overseas beginning 1940. Includes Alaska and Hawaii beginning 1950.

All estimates are consistent with decennial census enumerations.

Data for 2000 are based on the 1990 census.

Source: Department of Commerce, Bureau of the Census.

TABLE B-35.—*Civilian population and labor force, 1929–2000*

[Monthly data seasonally adjusted, except as noted]

Year or month	Civilian noninstitutional population ¹	Civilian labor force					Not in labor force	Civilian labor force participation rate ²	Civilian employment/population ratio ³	Unemployment rate, civilian workers ⁴				
		Total	Employment			Unemployment								
			Total	Agricultural	Non-agricultural									
Thousands of persons 14 years of age and over								Percent						
1929 .....	.....	49,180	47,630	10,450	37,180	1,550	.....	.....	.....	3.2
1933 .....	.....	51,590	38,760	10,090	28,670	12,830	.....	.....	.....	24.9
1939 .....	.....	55,230	45,750	9,610	36,140	9,480	.....	.....	.....	17.2
1940	99,840	55,640	47,520	9,540	37,980	8,120	44,200	55.7	47.6	14.6				
1941	99,900	55,910	50,350	9,100	41,250	5,560	43,990	56.0	50.4	9.9				
1942	98,640	56,410	53,750	9,250	44,500	2,660	42,230	57.2	54.5	4.7				
1943	94,640	55,540	54,470	9,080	45,390	1,070	39,100	58.7	57.6	1.9				
1944	93,220	54,630	53,960	8,950	45,010	670	38,590	58.6	57.9	1.2				
1945	94,090	53,860	52,820	8,580	44,240	1,040	40,230	57.2	56.1	1.9				
1946	103,070	57,520	55,250	8,320	46,930	2,270	45,550	55.8	53.6	3.9				
1947	106,018	60,168	57,812	8,256	49,557	2,356	45,850	56.8	54.5	3.9				
Thousands of persons 16 years of age and over														
1947	101,827	59,350	57,038	7,890	49,148	2,311	42,477	58.3	56.0	3.9				
1948	103,068	60,621	58,343	7,629	50,714	2,276	42,447	58.8	56.6	3.8				
1949	103,994	61,286	57,651	7,658	49,993	3,637	42,708	58.9	55.4	5.9				
1950	104,995	62,208	58,918	7,160	51,758	3,288	42,787	59.2	56.1	5.3				
1951	104,621	62,017	59,961	6,726	53,235	2,055	42,604	59.2	57.3	3.3				
1952	105,231	62,138	60,250	6,500	53,749	1,883	43,093	59.0	57.3	3.0				
1953 ⁵	107,056	63,015	61,179	6,260	54,919	1,834	44,041	58.9	57.1	2.9				
1954	108,321	63,643	60,109	6,205	53,904	3,532	44,678	58.8	55.5	5.5				
1955	109,683	65,023	62,170	6,450	55,722	2,852	44,660	59.3	56.7	4.4				
1956	110,954	66,552	63,799	6,283	57,514	2,750	44,402	60.0	57.5	4.1				
1957	112,265	66,929	64,071	5,947	58,123	2,859	45,336	59.6	57.1	4.3				
1958	113,727	67,639	63,036	5,586	57,450	4,602	46,088	59.5	55.4	6.8				
1959	115,329	68,369	64,630	5,565	59,065	3,740	46,960	59.3	56.0	5.5				
1960 ⁵	117,245	69,628	65,778	5,458	60,318	3,852	47,617	59.4	56.1	5.5				
1961	118,771	70,459	65,746	5,200	60,546	4,714	48,312	59.3	55.4	6.7				
1962 ⁵	120,153	70,614	66,702	4,944	61,759	3,911	49,539	58.8	55.5	5.5				
1963	122,416	71,833	67,762	4,687	63,076	4,070	50,583	58.7	55.4	5.7				
1964	124,485	73,091	69,305	4,523	64,782	3,786	51,394	58.7	55.7	5.2				
1965	126,513	74,455	71,088	4,361	66,726	3,366	52,058	58.9	56.2	4.5				
1966	128,058	75,770	72,895	3,979	68,915	2,875	52,288	59.2	56.9	3.8				
1967	129,874	77,347	74,372	3,844	70,527	2,975	52,527	59.6	57.3	3.8				
1968	132,028	78,737	75,920	3,817	72,103	2,817	53,291	59.6	57.5	3.6				
1969	134,335	80,734	77,902	3,606	74,296	2,832	53,602	60.1	58.0	3.5				
1970	137,085	82,771	78,678	3,463	75,215	4,093	54,315	60.4	57.4	4.9				
1971	140,216	84,382	79,367	3,394	75,972	5,016	55,834	60.2	56.6	5.9				
1972 ⁵	144,126	87,034	82,153	3,484	78,669	4,882	57,091	60.4	57.0	5.6				
1973 ⁵	147,096	89,429	85,064	3,470	81,594	4,365	57,667	60.8	57.8	4.9				
1974	150,120	91,949	86,794	3,515	83,279	5,156	58,171	61.3	57.8	5.6				
1975	153,153	93,775	85,846	3,408	82,438	7,929	59,377	61.2	56.1	8.5				
1976	156,150	96,158	88,752	3,331	85,421	7,406	59,991	61.6	56.8	7.7				
1977	159,033	99,009	92,017	3,283	88,734	6,991	60,025	62.3	57.9	7.1				
1978 ⁵	161,910	102,251	96,048	3,387	92,661	6,202	59,659	63.2	59.3	6.1				
1979	164,863	104,962	98,824	3,347	95,477	6,137	59,900	63.7	59.9	5.8				
1980	167,745	106,940	99,303	3,364	95,938	7,637	60,806	63.8	59.2	7.1				
1981	170,130	108,670	100,397	3,368	97,030	8,273	61,460	63.9	59.0	7.6				
1982	172,271	110,204	99,526	3,401	96,125	10,678	62,067	64.0	57.8	9.7				
1983	174,215	111,550	100,834	3,383	97,450	10,717	62,665	64.0	57.9	9.6				
1984	176,383	113,544	105,005	3,321	101,685	8,539	62,839	64.4	59.5	7.5				
1985	178,206	115,461	107,150	3,179	103,971	8,312	62,744	64.8	60.1	7.2				
1986 ⁵	180,587	117,834	109,597	3,163	106,434	8,237	62,752	65.3	60.7	7.0				
1987	182,753	119,865	112,440	3,208	109,232	7,425	62,888	65.6	61.5	6.2				
1988	184,613	121,669	114,968	3,169	111,800	6,701	62,944	65.9	62.3	5.5				
1989	186,393	123,869	117,342	3,199	114,142	6,528	62,523	66.5	63.0	5.3				
1990 ⁵	189,164	125,840	118,793	3,223	115,570	7,047	63,324	66.5	62.8	5.6				
1991	190,925	126,346	117,718	3,269	114,449	8,628	64,578	66.2	61.7	6.8				
1992	192,805	128,105	118,492	3,247	115,245	9,613	64,700	66.4	61.5	7.5				
1993	194,838	129,200	120,259	3,115	117,144	8,940	65,638	66.3	61.7	6.9				
1994 ⁵	196,814	131,056	123,060	3,409	119,651	7,996	65,758	66.6	62.5	6.1				
1995	198,584	132,304	124,900	3,440	121,460	7,404	66,280	66.6	62.9	5.6				
1996	200,591	133,943	126,708	3,443	123,264	7,236	66,647	66.8	63.2	5.4				
1997 ⁵	203,133	136,297	129,558	3,399	126,159	6,739	66,837	67.1	63.8	4.9				
1998 ⁵	205,220	137,673	131,463	3,378	128,085	6,210	67,547	67.1	64.1	4.5				
1999 ⁵	207,753	139,368	133,488	3,281	130,207	5,880	68,385	67.1	64.3	4.2				

¹ Not seasonally adjusted.² Civilian labor force as percent of civilian noninstitutional population.³ Civilian employment as percent of civilian noninstitutional population.⁴ Unemployed as percent of civilian labor force.

See next page for continuation of table.

TABLE B-35.—*Civilian population and labor force, 1929–2000—Continued*

[Monthly data seasonally adjusted, except as noted]

Year or month	Civilian noninstitutional population ¹	Civilian labor force					Not in labor force	Civilian labor force participation rate ²	Civilian employment/population ratio ³	Unemployment rate, civilian workers ⁴
		Total	Employment			Unemployment				
			Total	Agricultural	Non-agricultural					
Thousands of persons 16 years of age and over							Percent			
1997: Jan ⁵	202,285	135,576	128,387	3,459	124,928	7,189	66,709	67.0	63.5	5.3
Feb	202,389	135,496	128,350	3,358	124,992	7,146	66,893	66.9	63.4	5.3
Mar	202,513	135,958	128,922	3,422	125,500	7,036	66,555	67.1	63.7	5.2
Apr	202,674	136,043	129,191	3,468	125,723	6,852	66,631	67.1	63.7	5.0
May	202,832	136,061	129,383	3,434	125,949	6,678	66,771	67.1	63.8	4.9
June	203,000	136,218	129,417	3,398	126,019	6,801	66,782	67.1	63.8	5.0
July	203,166	136,421	129,812	3,421	126,391	6,609	66,745	67.1	63.9	4.8
Aug	203,364	136,590	129,987	3,359	126,628	6,603	66,774	67.2	63.9	4.8
Sept	203,570	136,612	129,982	3,400	126,582	6,630	66,958	67.1	63.9	4.9
Oct	203,767	136,547	130,121	3,309	126,812	6,426	67,220	67.0	63.9	4.7
Nov	203,941	136,860	130,577	3,375	127,202	6,283	67,081	67.1	64.0	4.6
Dec	204,098	137,097	130,646	3,395	127,251	6,451	67,001	67.2	64.0	4.7
1998: Jan ⁵	204,238	137,225	130,819	3,334	127,485	6,406	67,013	67.2	64.1	4.7
Feb	204,400	137,263	130,911	3,354	127,557	6,352	67,137	67.2	64.0	4.6
Mar	204,547	137,333	130,854	3,180	127,674	6,479	67,214	67.1	64.0	4.7
Apr	204,731	137,216	131,255	3,341	127,914	5,961	67,515	67.0	64.1	4.3
May	204,899	137,329	131,278	3,347	127,931	6,051	67,570	67.0	64.1	4.4
June	205,085	137,449	131,234	3,345	127,889	6,215	67,636	67.0	64.0	4.5
July	205,270	137,476	131,274	3,408	127,866	6,202	67,794	67.0	64.0	4.5
Aug	205,479	137,565	131,381	3,498	127,883	6,184	67,914	66.9	63.9	4.5
Sept	205,699	138,156	131,922	3,499	128,423	6,234	67,543	67.2	64.1	4.5
Oct	205,919	138,189	131,950	3,585	128,365	6,239	67,730	67.1	64.1	4.5
Nov	206,104	138,230	132,156	3,340	128,816	6,074	67,874	67.1	64.1	4.4
Dec	206,270	138,545	132,517	3,241	129,276	6,028	67,725	67.2	64.2	4.4
1999: Jan ⁵	206,719	139,232	133,225	3,297	129,928	6,007	67,487	67.4	64.4	4.3
Feb	206,873	139,137	133,029	3,328	129,701	6,108	67,736	67.3	64.3	4.4
Mar	207,036	138,804	132,976	3,290	129,686	5,828	68,232	67.0	64.2	4.2
Apr	207,236	139,086	133,054	3,341	129,713	6,032	68,150	67.1	64.2	4.3
May	207,427	139,013	133,190	3,290	129,900	5,823	68,414	67.0	64.2	4.2
June	207,632	139,332	133,398	3,330	130,068	5,934	68,300	67.1	64.2	4.3
July	207,828	139,336	133,399	3,278	130,121	5,937	68,492	67.0	64.2	4.3
Aug	208,038	139,372	133,530	3,234	130,296	5,842	68,666	67.0	64.2	4.2
Sept	208,265	139,475	133,650	3,179	130,471	5,825	68,790	67.0	64.2	4.2
Oct	208,483	139,697	133,940	3,238	130,702	5,757	68,786	67.0	64.2	4.1
Nov	208,666	139,834	134,098	3,310	130,788	5,736	68,832	67.0	64.3	4.1
Dec	208,832	140,108	134,420	3,279	131,141	5,688	68,724	67.1	64.4	4.1
2000: Jan ⁵	208,782	140,910	135,221	3,371	131,850	5,689	67,872	67.5	64.8	4.0
Feb	208,907	141,165	135,362	3,408	131,954	5,804	67,742	67.6	64.8	4.1
Mar	209,053	140,867	135,159	3,359	131,801	5,708	68,187	67.4	64.7	4.1
Apr	209,216	141,230	135,706	3,355	132,351	5,524	67,986	67.5	64.9	3.9
May	209,371	140,489	134,715	3,298	131,417	5,774	68,882	67.1	64.3	4.1
June	209,543	140,762	135,179	3,321	131,858	5,583	68,781	67.2	64.5	4.0
July	209,727	140,399	134,749	3,299	131,450	5,650	69,329	66.9	64.2	4.0
Aug	209,935	140,742	134,912	3,344	131,569	5,829	69,193	67.0	64.3	4.1
Sept	210,161	140,639	135,161	3,340	131,821	5,477	69,522	66.9	64.3	3.9
Oct	210,378	140,918	135,422	3,233	132,188	5,496	69,460	67.0	64.4	3.9
Nov	210,577	141,052	135,373	3,154	132,219	5,679	69,525	67.0	64.3	4.0

⁵Not strictly comparable with earlier data due to population adjustments as follows: Beginning 1953, introduction of 1950 census data added about 600,000 to population and 350,000 to labor force, total employment, and agricultural employment. Beginning 1960, inclusion of Alaska and Hawaii added about 500,000 to population, 300,000 to labor force, and 240,000 to nonagricultural employment. Beginning 1962, introduction of 1960 census data reduced population by about 50,000 and labor force and employment by 200,000. Beginning 1972, introduction of 1970 census data added about 800,000 to civilian noninstitutional population and 333,000 to labor force and employment. A subsequent adjustment based on 1970 census in March 1973 added 60,000 to labor force and to employment. Beginning 1978, changes in sampling and estimation procedures introduced into the household survey added about 250,000 to labor force and to employment. Unemployment levels and rates were not significantly affected. Beginning 1986, the introduction of revised population controls added about 400,000 to the civilian population and labor force and 350,000 to civilian employment. Unemployment levels and rates were not significantly affected.

Beginning 1990, the introduction of 1990 census-based population controls, adjusted for the estimated undercount, added about 1.1 million to the civilian population and labor force, 880,000 to civilian employment, and 175,000 to unemployment. The overall unemployment rate rose by about 0.1 percentage point.

Beginning 1994, data are not strictly comparable with earlier data because of the introduction of a major redesign of the Current Population Survey and collection methodology.

Beginning 1997, 1998, 1999, and 2000 data are not strictly comparable due to the introduction of revised population controls. See February issues *Employment and Earnings* for details on the effects. Also, for 1998, data reflect the introduction of a new composite estimation procedure for the Current Population Survey.

Note.—Labor force data in Tables B-35 through B-44 are based on household interviews and relate to the calendar week including the 12th of the month. For definitions of terms, area samples used, historical comparability of the data, comparability with other series, etc., see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-36.—*Civilian employment and unemployment by sex and age, 1950–2000*

[Thousands of persons 16 years of age and over; monthly data seasonally adjusted]

Year or month	Civilian employment						Unemployment							
	Total	Males			Females			Total	Males			Females		
		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
1950	58,918	41,578	2,186	39,394	17,340	1,517	15,824	3,288	2,239	318	1,922	1,049	195	854
1951	59,961	41,780	2,156	39,626	18,181	1,611	16,570	2,055	1,221	191	1,029	834	145	689
1952	60,250	41,682	2,107	39,578	18,568	1,612	16,958	1,883	1,185	205	980	698	140	559
1953	61,179	42,430	2,136	40,296	18,749	1,584	17,164	1,834	1,202	184	1,019	632	123	510
1954	60,109	41,619	1,985	39,634	18,490	1,490	17,000	3,532	2,344	310	2,035	1,188	191	997
1955	62,170	42,621	2,095	40,526	19,551	1,547	18,002	2,852	1,854	274	1,580	998	176	823
1956	63,799	43,379	2,164	41,216	20,419	1,654	18,767	2,750	1,711	269	1,442	1,039	209	832
1957	64,071	43,357	2,115	41,239	20,714	1,663	19,052	2,859	1,841	300	1,541	1,018	197	821
1958	63,036	42,423	2,012	40,411	20,613	1,570	19,043	4,602	3,098	416	2,681	1,504	262	1,242
1959	64,630	43,466	2,198	41,267	21,164	1,640	19,524	3,740	2,420	398	2,022	1,320	256	1,063
1960	65,778	43,904	2,361	41,543	21,874	1,768	20,105	3,852	2,486	426	2,060	1,366	286	1,080
1961	65,746	43,656	2,315	41,342	22,090	1,793	20,296	4,714	2,997	479	2,518	1,717	349	1,368
1962	66,702	44,177	2,362	41,815	22,525	1,833	20,693	3,911	2,423	408	2,016	1,488	313	1,175
1963	67,762	44,657	2,406	42,251	23,105	1,849	21,257	4,070	2,472	501	1,971	1,598	383	1,216
1964	69,305	45,474	2,587	42,886	23,831	1,929	21,903	3,786	2,205	487	1,718	1,581	385	1,195
1965	71,088	46,340	2,918	43,422	24,748	2,118	22,630	3,366	1,914	479	1,435	1,452	395	1,056
1966	72,895	46,919	3,253	43,668	25,976	2,468	23,510	2,875	1,551	432	1,120	1,324	405	921
1967	74,372	47,479	3,186	44,294	26,893	2,496	24,397	2,975	1,508	448	1,060	1,468	391	1,078
1968	75,920	48,114	3,255	44,859	27,807	2,526	25,281	2,817	1,419	426	993	1,397	412	985
1969	77,902	48,818	3,430	45,388	29,084	2,687	26,397	2,832	1,403	440	963	1,429	413	1,015
1970	78,678	48,990	3,409	45,581	29,688	2,735	26,952	4,093	2,238	599	1,638	1,855	506	1,349
1971	79,367	49,390	3,478	45,912	29,976	2,730	27,246	5,016	2,789	693	2,097	2,227	568	1,658
1972	82,153	50,896	3,765	47,130	31,257	2,980	28,276	4,882	2,659	711	1,948	2,222	598	1,625
1973	85,064	52,349	4,039	48,310	32,715	3,231	29,484	4,365	2,275	653	1,624	2,089	583	1,507
1974	86,794	53,024	4,103	48,922	33,769	3,345	30,424	5,156	2,714	757	1,957	2,441	665	1,777
1975	85,846	51,857	3,839	48,018	33,989	3,263	30,726	7,929	4,442	966	3,476	3,486	802	2,684
1976	88,752	53,138	3,947	49,190	35,615	3,389	32,226	7,406	4,036	939	3,098	3,369	780	2,588
1977	92,017	54,728	4,174	50,555	37,289	3,514	33,775	6,991	3,667	874	2,794	3,324	789	2,535
1978	96,048	56,479	4,336	52,143	39,569	3,734	35,836	6,202	3,142	813	2,328	3,061	769	2,292
1979	98,824	57,607	4,300	53,308	41,217	3,783	37,434	6,137	3,120	811	2,308	3,018	743	2,276
1980	99,303	57,186	4,085	53,101	42,117	3,625	38,492	7,637	4,267	913	3,353	3,370	755	2,615
1981	100,397	57,397	3,815	53,582	43,000	3,411	39,590	8,273	4,577	962	3,615	3,696	800	2,895
1982	99,526	56,271	3,379	52,891	43,256	3,170	40,086	10,678	6,179	1,090	5,089	4,499	886	3,613
1983	100,834	56,787	3,300	53,487	44,047	3,043	41,004	10,717	6,260	1,003	5,257	4,457	825	3,632
1984	105,005	59,091	3,322	55,769	45,915	3,122	42,793	8,539	4,744	812	3,932	3,794	687	3,107
1985	107,150	59,891	3,328	56,562	47,259	3,105	44,154	8,312	4,521	806	3,715	3,791	661	3,129
1986	109,597	60,892	3,323	57,569	48,706	3,149	45,556	8,237	4,530	779	3,751	3,707	675	3,032
1987	112,440	62,107	3,381	58,726	50,334	3,260	47,074	7,425	4,101	732	3,369	3,324	616	2,709
1988	114,968	63,273	3,492	59,781	51,696	3,313	48,383	6,701	3,655	667	2,987	3,046	558	2,487
1989	117,342	64,315	3,477	60,837	53,027	3,282	49,745	6,528	3,525	658	2,867	3,003	536	2,467
1990	118,793	65,104	3,427	61,678	53,689	3,154	50,535	7,047	3,906	667	3,239	3,140	544	2,596
1991	117,718	64,223	3,044	61,178	53,496	2,862	50,634	8,628	4,946	751	4,195	3,683	608	3,074
1992	118,492	64,440	2,944	61,496	54,052	2,724	51,328	9,613	5,523	806	4,717	4,090	621	3,469
1993	120,259	65,349	2,994	62,355	54,910	2,811	52,099	8,940	5,055	768	4,287	3,885	597	3,288
1994	123,060	66,450	3,156	63,294	56,610	3,005	53,606	7,996	4,367	740	3,627	3,629	580	3,049
1995	124,900	67,377	3,292	64,085	57,523	3,127	54,396	7,404	3,983	744	3,239	3,421	602	2,819
1996	126,708	68,207	3,310	64,897	58,501	3,190	55,311	7,236	3,880	733	3,146	3,356	573	2,783
1997	129,558	69,685	3,401	66,284	59,873	3,260	56,613	6,739	3,577	694	2,882	3,162	577	2,585
1998	131,463	70,693	3,558	67,135	60,771	3,493	57,278	6,210	3,266	686	2,580	2,944	519	2,424
1999	133,488	71,446	3,685	67,761	62,042	3,487	58,555	5,880	3,066	633	2,433	2,814	529	2,285
1999: Jan	133,225	71,368	3,597	67,771	61,857	3,484	58,373	6,007	3,138	707	2,431	2,869	551	2,318
1999: Feb	133,029	71,230	3,703	67,527	61,799	3,538	58,261	6,108	3,232	648	2,584	2,876	546	2,330
1999: Mar	132,976	71,269	3,641	67,628	61,707	3,491	58,216	5,828	2,949	643	2,306	2,879	541	2,338
1999: Apr	133,054	71,208	3,646	67,562	61,846	3,510	58,336	6,032	3,062	632	2,430	2,970	541	2,429
1999: May	133,190	71,207	3,737	67,470	61,983	3,500	58,483	5,823	3,111	603	2,508	2,712	487	2,225
1999: June	133,398	71,330	3,685	67,645	62,068	3,421	58,647	5,934	3,084	613	2,471	2,850	509	2,341
1999: July	133,399	71,437	3,734	67,703	61,962	3,485	58,477	5,937	3,061	597	2,464	2,876	501	2,375
1999: Aug	133,530	71,436	3,668	67,768	62,094	3,446	58,648	5,842	3,063	591	2,472	2,779	523	2,256
1999: Sept	133,650	71,630	3,687	67,943	62,020	3,390	58,630	5,825	3,013	628	2,385	2,812	582	2,230
1999: Oct	133,940	71,623	3,725	67,898	62,317	3,517	58,800	5,757	3,057	616	2,441	2,700	545	2,155
1999: Nov	134,098	71,732	3,695	68,037	62,366	3,528	58,838	5,736	2,996	645	2,351	2,740	526	2,214
1999: Dec	134,420	71,927	3,730	68,197	62,493	3,535	58,958	5,688	3,003	671	2,332	2,685	489	2,196
2000: Jan	135,221	72,358	3,773	68,585	62,863	3,584	59,280	5,689	2,946	613	2,332	2,743	447	2,279
2000: Feb	135,362	72,473	3,782	68,691	62,889	3,491	59,398	5,804	3,121	691	2,429	2,683	505	2,178
2000: Mar	135,159	72,313	3,833	68,480	62,846	3,424	59,422	5,708	2,885	543	2,342	2,823	574	2,249
2000: Apr	135,706	72,307	3,825	68,481	63,399	3,642	59,757	5,524	2,882	603	2,280	2,642	479	2,163
2000: May	134,715	71,948	3,718	68,230	62,767	3,519	59,248	5,774	2,934	562	2,373	2,839	472	2,367
2000: June	135,179	72,217	3,787	68,430	62,962	3,684	59,278	5,583	2,903	619	2,284	2,680	362	2,318
2000: July	134,749	72,063	3,623	68,440	62,686	3,464	59,222	5,650	2,854	591	2,263	2,796	510	2,286
2000: Aug	134,912	72,407	3,650	68,757	62,505	3,556	58,949	5,829	3,005	695	2,309	2,824	514	2,311
2000: Sept	135,161	72,352	3,654	68,699	62,809	3,541	59,268	5,477	2,881	578	2,303	2,597	479	2,118
2000: Oct	135,422	72,378	3,635	68,743	63,044	3,628	59,417	5,496	2,936	551	2,385	2,560	496	2,065
2000: Nov	135,373	72,286	3,640	68,646	63,087	3,632	59,456	5,679	3,058	582	2,476	2,621	516	2,105

Note.—See footnote 5 and Note, Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-37.—*Civilian employment by demographic characteristic, 1955–2000*

[Thousands of persons 16 years of age and over; monthly data seasonally adjusted]

Year or month	All civilian workers	White				Black and other				Black			
		Total	Males	Fe-males	Both sexes 16-19	Total	Males	Fe-males	Both sexes 16-19	Total	Males	Fe-males	Both sexes 16-19
1955	62,170	55,833	38,719	17,114	3,225	6,341	3,904	2,437	418	.....	.....	.....	.....
1956	63,799	57,269	39,368	17,901	3,389	6,534	4,013	2,521	430	.....	.....	.....	.....
1957	64,071	57,465	39,349	18,116	3,374	6,604	4,006	2,598	407	.....	.....	.....	.....
1958	63,036	56,613	38,591	18,022	3,216	6,423	3,833	2,590	365	.....	.....	.....	.....
1959	64,630	58,006	39,494	18,512	3,475	6,623	3,971	2,652	362	.....	.....	.....	.....
1960	65,778	58,850	39,755	19,095	3,700	6,928	4,149	2,779	430	.....	.....	.....	.....
1961	65,746	58,913	39,588	19,325	3,693	6,833	4,068	2,765	414	.....	.....	.....	.....
1962	66,702	59,698	40,016	19,682	3,774	7,003	4,160	2,843	420	.....	.....	.....	.....
1963	67,762	60,622	40,428	20,194	3,851	7,140	4,229	2,911	404	.....	.....	.....	.....
1964	69,305	61,922	41,115	20,807	4,076	7,383	4,359	3,024	440	.....	.....	.....	.....
1965	71,088	63,446	41,844	21,602	4,562	7,643	4,496	3,147	474	.....	.....	.....	.....
1966	72,895	65,021	42,331	22,690	5,176	7,877	4,588	3,289	545	.....	.....	.....	.....
1967	74,372	66,361	42,833	23,528	5,114	8,011	4,646	3,365	568	.....	.....	.....	.....
1968	75,920	67,750	43,411	24,339	5,195	8,169	4,702	3,467	584	.....	.....	.....	.....
1969	77,902	69,518	44,048	25,470	5,508	8,384	4,770	3,614	609	.....	.....	.....	.....
1970	78,678	70,217	44,178	26,039	5,571	8,464	4,813	3,650	574	.....	.....	.....	.....
1971	79,367	70,878	44,595	26,283	5,670	8,488	4,796	3,692	538	.....	.....	.....	.....
1972	82,153	73,370	45,944	27,426	6,173	8,783	4,952	3,832	573	7,802	4,368	3,433	509
1973	85,064	75,708	47,085	28,623	6,623	9,356	5,265	4,092	647	8,128	4,527	3,601	570
1974	86,794	77,184	47,674	29,511	6,796	9,610	5,352	4,258	652	8,203	4,527	3,677	554
1975	85,846	76,411	46,697	29,714	6,487	9,435	5,161	4,275	615	7,894	4,275	3,618	507
1976	88,752	78,853	47,775	31,078	6,724	9,899	5,363	4,536	611	8,227	4,404	3,823	508
1977	92,017	81,700	49,150	32,550	7,068	10,317	5,579	4,739	619	8,540	4,565	3,975	508
1978	96,048	84,936	50,544	34,392	7,367	11,112	5,936	5,177	703	9,102	4,796	4,307	571
1979	98,824	87,259	51,452	35,807	7,356	11,565	6,156	5,409	727	9,359	4,923	4,436	579
1980	99,303	87,715	51,127	36,587	7,021	11,588	6,059	5,529	689	9,313	4,798	4,515	547
1981	100,397	88,709	51,315	37,394	6,588	11,688	6,083	5,606	637	9,355	4,794	4,561	505
1982	99,526	87,903	50,287	37,615	5,984	11,624	5,983	5,641	565	9,189	4,637	4,552	428
1983	100,834	88,893	50,621	38,272	5,799	11,941	6,166	5,775	543	9,375	4,753	4,622	416
1984	105,005	92,120	52,462	39,659	5,836	12,885	6,629	6,256	607	10,119	5,124	4,995	474
1985	107,150	93,736	53,046	40,690	5,768	13,414	6,845	6,569	666	10,501	5,270	5,231	532
1986	109,597	95,660	53,785	41,876	5,792	13,937	7,107	6,830	681	10,814	5,428	5,386	536
1987	112,440	97,789	54,647	43,142	5,898	14,652	7,459	7,192	742	11,309	5,661	5,648	587
1988	114,968	99,812	55,550	44,262	6,030	15,156	7,722	7,434	774	11,658	5,824	5,834	601
1989	117,342	101,584	56,352	45,232	5,946	15,757	7,963	7,795	813	11,953	5,928	6,025	625
1990	118,793	102,261	56,703	45,558	5,779	16,533	8,401	8,131	801	12,175	5,995	6,180	598
1991	117,718	101,182	55,797	45,385	5,216	16,536	8,426	8,110	690	12,074	5,961	6,113	494
1992	118,492	101,669	55,959	45,710	4,985	16,823	8,482	8,342	684	12,151	5,930	6,221	492
1993	120,259	103,045	56,656	46,390	5,113	17,214	8,693	8,521	691	12,382	6,047	6,334	494
1994	123,060	105,190	57,452	47,738	5,398	17,870	8,998	8,872	763	12,835	6,241	6,595	552
1995	124,900	106,490	58,146	48,344	5,593	18,409	9,231	9,179	826	13,279	6,422	6,857	586
1996	126,708	107,808	58,888	48,920	5,667	18,900	9,319	9,580	832	13,542	6,456	7,086	613
1997	129,558	109,856	59,998	49,859	5,807	19,701	9,687	10,014	853	13,969	6,607	7,362	631
1998	131,463	110,931	60,604	50,327	6,089	20,532	10,089	10,443	962	14,556	6,871	7,685	736
1999	133,488	112,235	61,139	51,096	6,204	21,253	10,307	10,945	968	15,056	7,027	8,029	691
1999: Jan	133,225	111,978	60,946	51,032	6,130	21,253	10,406	10,847	968	15,056	7,114	7,942	724
1999: Feb	133,029	112,017	60,959	51,058	6,218	21,022	10,262	10,760	1,001	14,924	7,002	7,922	720
1999: Mar	132,976	112,030	61,075	50,955	6,154	20,977	10,215	10,762	998	14,925	6,985	7,940	705
1999: Apr	133,054	111,886	60,993	50,893	6,167	21,125	10,198	10,927	979	15,011	6,982	8,029	684
1999: May	133,190	111,898	60,892	51,006	6,259	21,230	10,261	10,969	984	15,053	7,038	8,015	696
1999: June	133,398	112,115	61,053	51,062	6,113	21,264	10,278	10,986	972	15,069	7,015	8,054	704
1999: July	133,399	112,193	61,207	50,986	6,238	21,143	10,175	10,968	958	14,962	6,922	8,040	682
1999: Aug	133,530	112,308	61,193	51,115	6,161	21,270	10,302	10,968	935	15,047	7,018	8,029	660
1999: Sept	133,650	112,303	61,322	50,981	6,191	21,378	10,297	11,081	905	15,114	7,016	8,098	659
1999: Oct	133,940	112,548	61,301	51,247	6,302	21,421	10,342	11,079	948	15,124	7,030	8,094	662
1999: Nov	134,098	112,611	61,294	51,317	6,271	21,519	10,456	11,063	954	15,187	7,076	8,111	663
1999: Dec	134,420	112,951	61,436	51,515	6,244	21,433	10,499	10,934	1,016	15,204	7,127	8,077	732
2000: Jan	135,221	113,704	61,751	51,953	6,360	21,528	10,595	10,933	997	15,254	7,192	8,062	701
2000: Feb	135,362	113,634	61,823	51,810	6,211	21,714	10,641	11,073	1,055	15,471	7,319	8,152	756
2000: Mar	135,159	113,630	61,839	51,791	6,270	21,574	10,541	11,034	1,004	15,356	7,212	8,144	718
2000: Apr	135,706	113,915	61,661	52,253	6,379	21,766	10,619	11,146	1,074	15,444	7,244	8,200	773
2000: May	134,715	112,988	61,429	51,559	6,237	21,628	10,432	11,197	1,003	15,261	7,074	8,187	724
2000: June	135,179	113,484	61,735	51,748	6,458	21,685	10,491	11,194	988	15,275	7,100	8,174	722
2000: July	134,749	113,156	61,494	51,662	6,153	21,572	10,512	11,060	901	15,190	7,127	8,064	696
2000: Aug	134,912	113,352	61,941	51,411	6,264	21,634	10,531	11,103	935	15,190	7,091	8,098	682
2000: Sept	135,161	113,450	61,723	51,727	6,219	21,761	10,622	11,138	1,002	15,246	7,127	8,119	709
2000: Oct	135,422	113,516	61,739	51,776	6,252	21,889	10,646	11,242	995	15,380	7,186	8,194	735
2000: Nov	135,373	113,359	61,539	51,820	6,176	22,056	10,796	11,260	1,106	15,509	7,289	8,221	811

Note.—See footnote 5 and Note, Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-38.—Unemployment by demographic characteristic, 1955–2000

(Thousands of persons 16 years of age and over; monthly data seasonally adjusted)

Year or month	All civilian workers	White				Black and other				Black			
		Total	Males	Fe-males	Both sexes 16-19	Total	Males	Fe-males	Both sexes 16-19	Total	Males	Fe-males	Both sexes 16-19
1955	2,852	2,252	1,478	774	373	601	376	225	77	.....	.....	.....	.....
1956	2,750	2,159	1,366	793	382	591	345	246	95	.....	.....	.....	.....
1957	2,859	2,289	1,477	812	401	570	364	206	96	.....	.....	.....	.....
1958	4,602	3,680	2,489	1,191	541	923	610	313	138	.....	.....	.....	.....
1959	3,740	2,946	1,903	1,043	525	793	517	276	128	.....	.....	.....	.....
1960	3,852	3,065	1,988	1,077	575	788	498	290	138	.....	.....	.....	.....
1961	4,714	3,743	2,398	1,345	669	971	599	372	159	.....	.....	.....	.....
1962	3,911	3,052	1,915	1,137	580	861	509	352	142	.....	.....	.....	.....
1963	4,070	3,208	1,976	1,232	708	863	496	367	176	.....	.....	.....	.....
1964	3,786	2,999	1,779	1,220	708	787	426	361	165	.....	.....	.....	.....
1965	3,366	2,691	1,556	1,135	705	678	360	318	171	.....	.....	.....	.....
1966	2,875	2,255	1,241	1,014	651	622	310	312	186	.....	.....	.....	.....
1967	2,975	2,338	1,208	1,130	635	638	300	338	203	.....	.....	.....	.....
1968	2,817	2,226	1,142	1,084	644	590	277	313	194	.....	.....	.....	.....
1969	2,832	2,260	1,137	1,123	660	571	267	304	193	.....	.....	.....	.....
1970	4,093	3,339	1,857	1,482	871	754	380	374	235	.....	.....	.....	.....
1971	5,016	4,085	2,309	1,777	1,011	930	481	450	249	.....	.....	.....	.....
1972	4,882	3,906	2,173	1,733	1,021	977	486	491	288	906	448	458	279
1973	4,365	3,442	1,836	1,606	955	924	440	484	280	846	395	451	262
1974	5,156	4,097	2,169	1,927	1,104	1,058	544	514	318	965	494	470	297
1975	7,929	6,421	3,627	2,794	1,413	1,507	815	692	355	1,369	741	629	330
1976	7,406	5,914	3,258	2,656	1,364	1,492	779	713	355	1,334	698	637	330
1977	6,991	5,441	2,883	2,558	1,284	1,550	784	766	379	1,393	698	695	354
1978	6,202	4,698	2,411	2,287	1,189	1,505	731	774	394	1,330	641	690	360
1979	6,137	4,664	2,405	2,260	1,193	1,473	714	759	362	1,319	636	683	333
1980	7,637	5,884	3,345	2,540	1,291	1,752	922	830	377	1,553	815	738	343
1981	8,273	6,343	3,580	2,762	1,374	1,930	997	933	388	1,731	891	840	357
1982	10,678	8,241	4,846	3,395	1,534	2,437	1,334	1,104	443	2,142	1,167	975	396
1983	10,717	8,128	4,859	3,270	1,387	2,588	1,401	1,187	441	2,272	1,213	1,059	392
1984	8,539	6,372	3,600	2,772	1,116	2,167	1,144	1,022	384	1,914	1,003	911	353
1985	8,312	6,191	3,426	2,765	1,074	2,121	1,095	1,026	394	1,864	951	913	357
1986	8,237	6,140	3,433	2,708	1,070	2,097	1,097	999	383	1,840	946	894	347
1987	7,425	5,501	3,132	2,369	995	1,924	969	955	353	1,684	826	858	312
1988	6,701	4,944	2,766	2,177	910	1,757	888	869	316	1,547	771	776	288
1989	6,528	4,770	2,636	2,135	863	1,757	889	868	331	1,544	773	772	300
1990	7,047	5,186	2,935	2,251	903	1,860	971	889	308	1,565	806	758	268
1991	8,628	6,560	3,859	2,701	1,029	2,068	1,087	981	330	1,723	890	833	280
1992	9,613	7,169	4,209	2,959	1,037	2,444	1,314	1,130	390	2,011	1,067	944	324
1993	8,940	6,655	3,828	2,827	992	2,285	1,227	1,058	373	1,844	971	872	313
1994	7,996	5,892	3,275	2,617	960	2,104	1,092	1,011	360	1,666	848	818	300
1995	7,404	5,459	2,999	2,460	952	1,945	984	961	394	1,538	762	777	325
1996	7,236	5,300	2,896	2,404	939	1,936	984	952	367	1,592	808	784	310
1997	6,739	4,836	2,641	2,195	912	1,903	935	967	359	1,560	747	813	302
1998	6,210	4,484	2,431	2,053	876	1,726	835	891	329	1,426	671	756	281
1999	5,880	4,273	2,274	1,999	844	1,606	792	814	318	1,309	626	684	268
1999: Jan	6,007	4,378	2,341	2,037	892	1,573	796	777	358	1,281	611	670	295
1999: Feb	6,108	4,438	2,422	2,016	851	1,650	793	857	340	1,326	629	697	281
1999: Mar	5,828	4,207	2,200	2,007	841	1,623	743	880	352	1,306	588	718	302
1999: Apr	6,032	4,458	2,274	2,184	852	1,590	781	809	323	1,277	595	682	263
1999: May	5,823	4,295	2,318	1,977	807	1,545	771	774	292	1,237	599	638	234
1999: June	5,934	4,403	2,325	2,078	834	1,532	761	771	281	1,239	583	656	232
1999: July	5,937	4,299	2,276	2,023	803	1,651	787	864	282	1,404	650	754	251
1999: Aug	5,842	4,311	2,372	1,939	813	1,550	713	837	300	1,274	576	698	258
1999: Sept	5,825	4,192	2,209	1,983	870	1,654	814	840	345	1,360	648	712	294
1999: Oct	5,757	4,106	2,174	1,932	842	1,654	904	750	317	1,365	735	630	294
1999: Nov	5,736	4,092	2,167	1,925	857	1,633	826	807	319	1,321	649	672	263
1999: Dec	5,688	4,057	2,163	1,894	864	1,622	831	791	300	1,309	644	665	248
2000: Jan	5,689	4,011	2,156	1,855	772	1,640	799	841	281	1,368	659	709	220
2000: Feb	5,804	4,187	2,293	1,894	888	1,606	821	785	302	1,314	649	665	243
2000: Mar	5,708	4,202	2,164	2,038	832	1,514	717	797	295	1,216	573	643	240
2000: Apr	5,524	4,073	2,154	1,920	835	1,465	722	743	249	1,191	594	598	220
2000: May	5,774	4,108	2,086	2,022	740	1,671	822	848	300	1,335	654	681	227
2000: June	5,583	3,967	2,087	1,880	672	1,617	814	802	303	1,302	662	640	245
2000: July	5,550	4,103	2,107	1,996	800	1,537	741	796	290	1,266	596	669	252
2000: Aug	5,829	4,199	2,154	2,045	869	1,628	857	772	332	1,322	690	633	262
2000: Sept	5,477	4,085	2,175	1,909	806	1,410	712	698	254	1,156	576	580	223
2000: Oct	5,496	3,984	2,140	1,845	780	1,516	815	702	265	1,213	640	573	234
2000: Nov	5,679	4,148	2,281	1,867	831	1,524	777	747	268	1,245	610	636	215

Note.—See footnote 5 and Note, Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-39.—*Civilian labor force participation rate and employment/population ratio, 1950–2000*
[Percent;¹ monthly data seasonally adjusted]

Year or month	Labor force participation rate							Employment/population ratio						
	All civilian work-ers	Males	Fe-males	Both sexes 16-19 years	White	Black and other	Black	All civilian work-ers	Males	Fe-males	Both sexes 16-19 years	White	Black and other	Black
1950	59.2	86.4	33.9	51.8	.....	.....	.....	56.1	82.0	32.0	45.5	.....	.....	.....
1951	59.2	86.3	34.6	52.2	.....	.....	.....	57.3	84.0	33.1	47.9	.....	.....	.....
1952	59.0	86.3	34.7	51.3	.....	.....	.....	57.3	83.9	33.4	46.9	.....	.....	.....
1953	58.9	86.0	34.4	50.2	.....	.....	.....	57.1	83.6	33.3	46.4	.....	.....	.....
1954	58.8	85.5	34.6	48.3	58.2	64.0	.....	55.5	81.0	32.5	42.3	55.2	58.0	.....
1955	59.3	85.4	35.7	48.9	58.7	64.2	.....	56.7	81.8	34.0	43.5	56.5	58.7	.....
1956	60.0	85.5	36.9	50.9	59.4	64.9	.....	57.5	82.3	35.1	45.3	57.3	59.5	.....
1957	59.6	84.8	36.9	49.6	59.1	64.4	.....	57.1	81.3	35.1	43.9	56.8	59.3	.....
1958	59.5	84.2	37.1	47.4	58.9	64.8	.....	55.4	78.5	34.5	39.9	55.3	56.7	.....
1959	59.3	83.7	37.1	46.7	58.7	64.3	.....	56.0	79.3	35.0	39.9	55.9	57.5	.....
1960	59.4	83.3	37.7	47.5	58.8	64.5	.....	56.1	78.9	35.5	40.5	55.9	57.9	.....
1961	59.3	82.9	38.1	46.9	58.8	64.1	.....	55.4	77.6	35.4	39.1	55.3	56.2	.....
1962	58.8	82.0	37.9	46.1	58.3	63.2	.....	55.5	77.7	35.6	39.4	55.4	56.3	.....
1963	58.7	81.4	38.3	45.2	58.2	63.0	.....	55.4	77.1	35.8	37.4	55.3	56.2	.....
1964	58.7	81.0	38.7	44.5	58.2	63.1	.....	55.7	77.3	36.3	37.3	55.5	57.0	.....
1965	58.9	80.7	39.3	45.7	58.4	62.9	.....	56.2	77.5	37.1	38.9	56.0	57.8	.....
1966	59.2	80.4	40.3	48.2	58.7	63.0	.....	56.9	77.9	38.3	42.1	56.8	58.4	.....
1967	59.6	80.4	41.1	48.4	59.2	63.8	.....	57.3	78.0	39.0	42.2	57.2	58.2	.....
1968	59.6	80.1	41.6	48.3	59.3	62.2	.....	57.5	77.8	39.6	42.2	57.4	58.0	.....
1969	60.1	79.8	42.7	49.4	59.9	62.1	.....	58.0	77.6	40.7	43.4	58.0	58.1	.....
1970	60.4	79.7	43.3	49.9	60.2	61.8	.....	57.4	76.2	40.8	42.3	57.5	56.8	.....
1971	60.2	79.1	43.4	49.7	60.1	60.9	.....	56.6	74.9	40.4	41.3	56.8	54.9	.....
1972	60.4	78.9	43.9	51.9	60.4	60.2	59.9	57.0	75.0	41.0	43.5	57.4	54.1	53.7
1973	60.8	78.8	44.7	53.7	60.8	60.5	60.2	57.8	75.5	42.0	45.9	58.2	55.0	54.5
1974	61.3	78.7	45.7	54.8	61.4	60.3	59.8	57.8	74.9	42.6	46.0	58.3	54.3	53.5
1975	61.2	77.9	46.3	54.0	61.5	59.6	58.8	56.1	71.7	42.0	43.3	56.7	51.4	50.1
1976	61.6	77.5	47.3	54.5	61.8	59.8	59.0	56.8	72.0	43.2	44.2	57.5	52.0	50.8
1977	62.3	77.7	48.4	56.0	62.5	60.4	59.8	57.9	72.8	44.5	46.1	58.6	52.5	51.4
1978	63.2	77.9	50.0	57.8	63.3	62.2	61.5	59.3	73.8	46.4	48.3	60.0	54.7	53.6
1979	63.7	77.8	50.9	57.9	63.9	62.2	61.4	59.9	73.8	47.5	48.5	60.6	55.2	53.8
1980	63.8	77.4	51.5	56.7	64.1	61.7	61.0	59.2	72.0	47.7	46.6	60.0	53.6	52.3
1981	63.9	77.0	52.1	55.4	64.3	61.3	60.8	59.0	71.3	48.0	44.6	60.0	52.6	51.3
1982	64.0	76.6	52.6	54.1	64.3	61.6	61.0	57.8	69.0	47.7	41.5	58.8	50.9	49.4
1983	64.0	76.4	52.9	53.5	64.3	62.1	61.5	57.9	68.8	48.0	41.5	58.9	51.0	49.5
1984	64.4	76.4	53.6	53.9	64.6	62.6	62.2	59.5	70.7	49.5	43.7	60.5	53.6	52.3
1985	64.8	76.3	54.5	54.5	65.0	63.3	62.9	60.1	70.9	50.4	44.4	61.0	54.7	53.4
1986	65.3	76.3	55.3	54.7	65.5	63.7	63.3	60.7	71.0	51.4	44.6	61.5	55.4	54.1
1987	65.6	76.2	56.0	54.7	65.8	64.3	63.8	61.5	71.5	52.5	45.5	62.3	56.8	55.6
1988	65.9	76.2	56.6	55.3	66.2	64.0	63.8	62.3	72.0	53.4	46.8	63.1	57.4	56.3
1989	66.5	76.4	57.4	55.9	66.7	64.7	64.2	63.0	72.5	54.3	47.5	63.8	58.2	56.9
1990	66.5	76.4	57.5	53.7	66.9	64.4	64.0	62.8	72.0	54.3	45.3	63.7	57.9	56.7
1991	66.2	75.8	57.4	51.6	66.6	63.8	63.3	61.7	70.4	53.7	42.0	62.6	56.7	55.4
1992	66.4	75.8	57.8	51.3	66.8	64.6	63.9	61.5	69.8	53.8	41.0	62.4	56.4	54.9
1993	66.3	75.4	57.9	51.5	66.8	63.8	63.2	61.7	70.0	54.1	41.7	62.7	56.3	55.0
1994	66.6	75.1	58.8	52.7	67.1	63.9	63.4	62.5	70.4	55.3	43.4	63.5	57.2	56.1
1995	66.6	75.0	58.9	53.5	67.1	64.3	63.7	62.9	70.8	55.6	44.2	63.8	58.1	57.1
1996	66.8	74.9	59.3	52.3	67.2	64.6	64.1	63.2	70.9	56.0	43.5	64.1	58.6	57.4
1997	67.1	75.0	59.8	51.6	67.5	65.2	64.7	63.8	71.3	56.8	43.4	64.6	59.4	58.2
1998	67.1	74.9	59.8	52.8	67.3	66.0	65.6	64.1	71.6	57.1	45.1	64.7	60.9	59.7
1999	67.1	74.7	60.0	52.0	67.3	65.9	65.8	64.3	71.6	57.4	44.7	64.8	61.3	60.6
1999-Jan	67.4	75.1	60.2	52.4	67.5	66.5	66.2	64.4	71.9	57.5	44.5	65.0	61.9	61.0
1999-Feb	67.3	75.0	60.1	52.9	67.5	65.9	65.8	64.3	71.7	57.4	45.4	64.9	61.1	60.4
1999-Mar	67.0	74.7	60.0	52.0	67.3	65.6	65.6	64.2	71.7	57.3	44.6	64.9	60.9	60.4
1999-Apr	67.1	74.7	60.1	52.0	67.4	65.8	65.8	64.2	71.6	57.4	44.7	64.8	61.2	60.6
1999-May	67.0	74.6	60.0	51.9	67.2	65.9	65.7	64.2	71.5	57.5	45.1	64.7	61.4	60.7
1999-June	67.1	74.7	60.1	51.4	67.4	65.8	65.7	64.2	71.6	57.5	44.4	64.8	61.4	60.7
1999-July	67.0	74.7	60.0	51.8	67.3	65.7	65.8	64.2	71.6	57.3	44.9	64.8	60.9	60.2
1999-Aug	67.0	74.6	60.0	51.2	67.3	65.6	65.5	64.2	71.5	57.4	44.3	64.8	61.2	60.4
1999-Sept	67.0	74.7	59.9	51.5	67.2	66.1	66.0	64.2	71.6	57.3	44.0	64.8	61.4	60.6
1999-Oct	67.0	74.6	60.0	52.1	67.2	66.1	66.0	64.2	71.6	57.5	44.9	64.8	61.4	60.5
1999-Nov	67.0	74.6	60.0	52.1	67.2	66.2	66.0	64.3	71.6	57.5	44.8	64.8	61.6	60.7
1999-Dec	67.1	74.7	60.0	52.3	67.3	65.9	65.9	64.4	71.7	57.6	45.1	65.0	61.2	60.7
2000-Jan	67.5	75.1	60.5	52.1	67.7	66.2	66.4	64.8	72.2	57.9	45.6	65.4	61.6	60.9
2000-Feb	67.6	75.3	60.4	52.4	67.8	66.6	66.9	64.8	72.2	57.9	45.0	65.3	62.0	61.7
2000-Mar	67.4	74.9	60.4	51.7	67.7	65.8	66.0	64.7	72.0	57.8	44.8	65.3	61.5	61.2
2000-Apr	67.5	74.8	60.7	53.1	67.8	66.1	66.2	64.9	72.0	58.3	46.4	65.4	62.0	61.4
2000-May	67.1	74.5	60.3	51.6	67.2	66.2	66.0	64.3	71.5	57.7	45.1	64.9	61.5	60.7
2000-June	67.2	74.6	60.3	52.9	67.4	66.1	65.8	64.5	71.7	57.8	46.7	65.1	61.6	60.6
2000-July	66.9	74.4	60.1	51.3	67.2	65.5	65.2	64.2	71.5	57.5	44.4	64.9	61.1	60.2
2000-Aug	67.0	74.8	59.9	52.7	67.3	65.8	65.4	64.3	71.8	57.3	45.1	64.9	61.2	60.1
2000-Sept	66.9	74.5	59.9	51.6	67.3	65.4	64.8	64.3	71.7	57.5	45.0	64.9	61.4	60.3
2000-Oct	67.0	74.5	60.0	52.1	67.2	66.0	65.5	64.4	71.6	57.7	45.5	64.9	61.7	60.7
2000-Nov	67.0	74.5	60.1	52.4	67.1	66.3	66.0	64.3	71.4	57.7	45.5	64.8	62.1	61.1

¹ Civilian labor force or civilian employment as percent of civilian noninstitutional population in group specified.

Note.—Data relate to persons 16 years of age and over.
See footnote 5 and Note, Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-40.—*Civilian labor force participation rate by demographic characteristic, 1955–2000*

[Percent;¹ monthly data seasonally adjusted]

Year or month	All civilian workers	White						Black and other or black							
		Total	Males			Females			Males			Females			
			Total	16-19 years	20 years and over	Total	16-19 years	20 years and over	Total	Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
Black and other															
1955	59.3	58.7	85.4	58.6	87.5	34.5	40.7	34.0	64.2	85.1	60.8	87.8	46.1	32.7	47.5
1956	60.0	59.4	85.6	60.4	87.6	35.7	43.1	35.1	64.9	85.1	61.5	87.8	47.3	36.3	48.4
1957	59.6	59.1	84.8	59.2	86.9	35.7	42.2	35.2	64.4	84.2	58.8	87.0	47.1	33.2	48.6
1958	59.5	58.9	84.3	56.5	86.6	35.8	40.1	35.5	64.8	84.1	57.3	87.1	48.0	31.9	49.8
1959	59.3	58.7	83.8	55.9	86.3	36.0	39.6	35.6	64.3	83.4	55.5	86.7	47.7	28.2	49.8
1960	59.4	58.8	83.4	55.9	86.0	36.5	40.3	36.2	64.5	83.0	57.6	86.2	48.2	32.9	49.9
1961	59.3	58.8	83.0	54.5	85.7	36.9	40.6	36.6	64.1	82.2	55.8	85.5	48.3	32.8	50.1
1962	58.8	58.3	82.1	53.8	84.9	36.7	39.8	36.5	63.2	80.8	53.5	84.2	48.0	33.1	49.6
1963	58.7	58.2	81.5	53.1	84.4	37.2	38.7	37.0	63.0	80.2	51.5	83.9	48.1	32.6	49.9
1964	58.7	58.2	81.1	52.7	84.2	37.5	37.8	37.5	63.1	80.1	49.9	84.1	48.6	31.7	50.7
1965	58.9	58.4	80.8	54.1	83.9	38.1	39.2	38.0	62.9	79.6	51.3	83.7	48.6	29.5	51.1
1966	59.2	58.7	80.6	55.9	83.6	39.2	42.6	38.8	63.0	79.0	51.4	83.3	49.4	33.5	51.6
1967	59.6	59.2	80.6	56.3	83.5	40.1	42.5	39.8	62.8	78.5	51.1	82.9	49.5	35.2	51.6
1968	59.6	59.3	80.4	55.9	83.2	40.7	43.0	40.4	62.2	77.7	49.7	82.2	49.3	34.8	51.4
1969	60.1	59.9	80.2	56.8	83.0	41.8	44.6	41.5	62.1	76.9	49.6	81.4	49.8	34.6	52.0
1970	60.4	60.2	80.0	57.5	82.8	42.6	45.6	42.2	61.8	76.5	47.4	81.4	49.5	34.1	51.8
1971	60.2	60.1	79.6	57.9	82.3	42.6	45.4	42.3	60.9	74.9	44.7	80.0	49.2	31.2	51.8
1972	60.4	60.4	79.6	60.1	82.0	43.2	48.1	42.7	60.2	73.9	46.0	78.6	48.8	32.3	51.2
Black															
1972	60.4	60.4	79.6	60.1	82.0	43.2	48.1	42.7	59.9	73.6	46.3	78.5	48.7	32.2	51.2
1973	60.8	60.8	79.4	62.0	81.6	44.1	50.1	43.5	60.2	73.4	45.7	78.4	49.3	34.2	51.6
1974	61.3	61.4	79.4	62.9	81.4	45.2	51.7	44.4	59.8	72.9	46.7	77.6	49.0	33.4	51.4
1975	61.2	61.5	78.7	61.9	80.7	45.9	51.5	45.3	58.8	70.9	42.6	76.0	48.8	34.2	51.1
1976	61.6	61.8	78.4	62.3	80.3	46.9	52.8	46.2	59.0	70.0	41.3	75.4	49.8	32.9	52.5
1977	62.3	62.5	78.5	64.0	80.2	48.0	54.5	47.3	59.8	70.6	43.2	75.6	50.8	32.9	53.6
1978	63.2	63.3	78.6	65.0	80.1	49.4	56.7	48.7	61.5	71.5	44.9	76.2	53.1	37.3	55.5
1979	63.7	63.9	78.6	64.8	80.1	50.5	57.4	49.8	61.4	71.3	43.6	76.3	53.1	36.8	55.4
1980	63.8	64.1	78.2	63.7	79.8	51.2	56.2	50.6	61.0	70.3	43.2	75.1	53.1	34.9	55.6
1981	63.9	64.3	77.9	62.4	79.5	51.9	55.4	51.5	60.8	70.0	41.6	74.5	53.5	34.0	56.0
1982	64.0	64.3	77.4	60.0	79.2	52.4	55.0	52.2	61.0	70.1	39.8	74.7	53.7	33.5	56.2
1983	64.0	64.3	77.1	59.4	78.9	52.7	54.5	52.5	61.5	70.6	39.9	75.2	54.2	33.0	56.8
1984	64.4	64.6	77.1	59.0	78.7	53.3	55.4	53.1	62.2	70.8	41.7	74.8	55.2	35.0	57.6
1985	64.8	65.0	77.0	59.7	78.5	54.1	55.2	54.0	62.9	70.8	44.6	74.4	56.5	37.9	58.6
1986	65.3	65.5	76.9	59.3	78.5	55.0	56.3	54.9	63.3	71.2	43.7	74.8	56.9	39.1	58.9
1987	65.6	65.8	76.8	59.0	78.4	55.7	56.5	55.6	63.8	71.1	43.6	74.7	58.0	39.6	60.0
1988	65.9	66.2	76.9	60.0	78.3	56.4	57.2	56.3	63.8	71.0	43.8	74.6	58.0	37.9	60.1
1989	66.5	66.7	77.1	61.0	78.5	57.2	57.1	57.2	64.2	71.0	44.6	74.4	58.7	40.4	60.6
1990	66.5	66.9	77.1	59.6	78.5	57.4	55.3	57.6	64.0	71.0	40.7	75.0	58.3	36.8	60.6
1991	66.2	66.6	76.5	57.3	78.0	57.4	54.1	57.6	63.3	70.4	37.3	74.6	57.5	33.5	60.0
1992	66.4	66.8	76.5	56.9	78.0	57.7	52.5	58.1	63.9	70.7	40.6	74.3	58.5	35.2	60.8
1993	66.3	66.8	76.2	56.6	77.7	58.0	53.5	58.3	63.2	69.6	39.5	73.2	57.9	34.6	60.2
1994	66.6	67.1	75.9	57.7	77.3	58.9	55.1	59.2	63.4	69.1	40.8	72.5	58.7	36.3	60.9
1995	66.6	67.1	75.7	58.5	77.1	59.0	55.5	59.2	63.7	69.0	40.1	72.5	59.5	39.8	61.4
1996	66.8	67.2	75.8	57.1	77.3	59.1	54.7	59.4	64.1	68.7	39.5	72.3	60.4	38.9	62.6
1997	67.1	67.5	75.9	56.1	77.5	59.5	54.1	59.9	64.7	68.3	37.4	72.2	61.7	39.9	64.0
1998	67.1	67.3	75.6	56.6	77.2	59.4	55.4	59.7	65.6	69.0	40.7	72.5	62.8	42.5	64.8
1999	67.1	67.3	75.6	56.4	77.2	59.6	54.5	59.9	65.8	68.7	38.6	72.4	63.5	38.8	66.1
1999: Jan	67.4	67.5	75.7	56.3	77.4	59.7	54.9	60.1	66.2	69.9	42.6	73.3	63.3	39.9	65.6
Feb	67.3	67.5	75.8	56.5	77.4	59.7	55.4	60.0	65.8	68.9	40.7	72.4	63.2	40.3	65.6
Mar	67.0	67.3	75.6	55.6	77.3	59.6	55.0	59.9	65.6	68.3	41.2	71.7	63.4	40.3	65.8
Apr	67.1	67.4	75.5	55.8	77.2	59.6	55.0	60.0	65.8	68.3	37.7	72.0	63.8	38.8	66.3
May	67.0	67.2	75.4	57.1	77.0	59.5	54.2	59.9	65.7	68.7	37.3	72.6	63.2	37.7	65.8
June	67.1	67.4	75.5	56.2	77.2	59.6	53.0	60.1	65.7	68.2	36.5	72.1	63.6	38.9	66.1
July	67.0	67.3	75.6	56.5	77.2	59.4	54.0	59.8	65.8	67.9	36.8	71.7	64.1	38.2	66.7
Aug	67.0	67.3	75.6	55.7	77.3	59.4	53.7	59.9	65.5	68.0	35.4	72.0	63.5	38.5	66.1
Sept	67.0	67.2	75.5	56.6	77.1	59.3	54.2	59.7	66.0	68.5	37.6	72.3	64.0	39.1	66.5
Oct	67.0	67.2	75.4	56.8	77.0	59.5	55.4	59.8	66.0	69.3	39.7	72.9	63.3	37.4	65.9
Nov	67.0	67.2	75.3	56.8	76.9	59.5	55.1	59.9	66.0	68.8	36.8	72.8	63.7	37.9	66.3
Dec	67.1	67.3	75.4	57.0	77.0	59.7	54.6	60.1	65.9	69.2	40.9	72.6	63.3	38.2	65.8
2000: Jan	67.5	67.7	75.8	57.3	77.3	60.1	54.7	60.5	66.4	69.9	38.2	73.7	63.5	36.2	66.3
Feb	67.6	67.8	76.0	57.3	77.6	60.0	54.2	60.4	66.9	70.8	43.3	74.2	63.8	37.6	66.4
Mar	67.4	67.7	75.8	57.2	77.4	60.1	54.4	60.5	66.0	69.1	39.9	72.6	63.5	37.6	66.1
Apr	67.5	67.8	75.5	57.9	77.0	60.4	55.5	60.8	66.2	69.5	40.0	73.0	63.5	40.3	65.8
May	67.1	67.2	75.1	55.9	76.7	59.8	53.8	60.2	66.0	68.4	38.5	72.0	63.9	38.5	66.5
June	67.2	67.4	75.4	57.7	76.9	59.8	54.5	60.2	65.8	68.7	41.2	72.0	63.5	37.2	66.1
July	66.9	67.2	75.1	56.2	76.7	59.8	53.2	60.2	65.2	68.2	35.6	72.1	63.8	41.2	65.0
Aug	67.0	67.3	75.6	57.6	77.1	59.5	54.7	59.8	65.4	68.6	36.6	72.4	62.7	40.0	65.0
Sept	66.9	67.3	75.3	55.8	77.0	59.6	54.8	60.0	64.8	67.8	35.5	71.7	62.4	40.2	64.6
Oct	67.0	67.2	75.2	55.6	76.9	59.6	55.2	59.9	65.5	68.8	36.3	72.6	62.8	42.4	64.6
Nov	67.0	67.1	75.1	55.0	76.8	59.6	55.4	59.9	66.0	69.3	41.1	72.7	63.4	42.2	65.4

¹ Civilian labor force as percent of civilian noninstitutional population in group specified.

Note.—See Note, Table B-39.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-41.—*Civilian employment/population ratio by demographic characteristic, 1955–2000*
[Percent;¹ monthly data seasonally adjusted]

Year or month	All civilian workers	White						Black and other or black							
		Total	Males			Females			Total	Males			Females		
			Total	16-19 years	20 years and over	Total	16-19 years	20 years and over		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
Black and other															
1955	56.7	56.5	82.2	52.0	84.7	33.0	37.0	32.7	58.7	77.6	52.7	80.4	42.2	26.4	43.9
1956	57.5	57.3	82.7	54.1	85.0	34.2	38.9	33.8	59.5	78.4	52.2	81.3	43.0	28.0	44.7
1957	57.1	56.8	81.8	52.4	84.1	34.2	38.2	33.9	59.3	77.2	48.0	80.5	43.7	26.5	45.5
1958	55.4	55.3	79.2	47.6	81.8	33.6	35.0	33.5	56.7	72.5	42.0	76.0	42.8	22.8	45.0
1959	56.0	55.9	79.9	48.1	82.8	34.0	34.8	34.0	57.5	73.8	41.4	77.6	43.2	20.3	45.7
1960	56.1	55.9	79.4	48.1	82.4	34.6	35.1	34.5	57.9	74.1	43.8	77.9	43.6	24.8	45.8
1961	55.4	55.3	78.2	45.9	81.4	34.5	34.6	34.5	56.2	71.7	41.0	75.5	42.6	23.2	44.8
1962	55.5	55.4	78.4	46.4	81.5	34.7	34.8	34.7	56.3	72.0	41.7	75.7	42.7	23.1	44.9
1963	55.4	55.3	77.7	44.7	81.1	35.0	32.9	35.2	56.2	71.8	37.4	76.2	42.7	21.3	45.2
1964	55.7	55.5	77.8	45.0	81.3	35.5	32.2	35.8	57.0	72.9	37.8	77.7	43.4	21.8	46.1
1965	56.2	56.0	77.9	47.1	81.5	36.2	33.7	36.5	57.8	73.7	39.4	78.7	44.1	20.2	47.3
1966	56.9	56.8	78.3	50.1	81.7	37.5	37.5	37.5	58.4	74.0	40.5	79.2	45.1	23.1	48.2
1967	57.3	57.2	78.4	50.2	81.7	38.3	37.7	38.3	58.2	73.8	38.8	79.4	45.0	24.8	47.9
1968	57.5	57.4	78.3	50.3	81.6	38.9	37.8	39.1	58.0	73.3	38.7	78.9	45.2	24.7	48.2
1969	58.0	58.0	78.2	51.1	81.4	40.1	39.5	40.1	58.1	72.8	39.0	78.4	45.9	25.1	48.9
1970	57.4	57.5	76.8	49.6	80.1	40.3	39.5	40.4	56.8	70.9	35.5	76.8	44.9	22.4	48.2
1971	56.6	56.8	75.7	49.2	79.0	39.9	38.6	40.1	54.9	68.1	31.8	74.2	43.9	20.2	47.3
1972	57.0	57.4	76.0	51.5	79.0	40.7	41.3	40.6	54.1	67.3	32.4	73.2	43.3	19.9	46.7
Black															
1972	57.0	57.4	76.0	51.5	79.0	40.7	41.3	40.6	53.7	66.8	31.6	73.0	43.0	19.2	46.5
1973	57.8	58.2	76.5	54.3	79.2	41.8	43.6	41.6	54.5	67.5	32.8	73.7	43.8	22.0	47.2
1974	57.8	58.3	75.9	54.4	78.6	42.4	44.3	42.2	53.5	65.8	31.4	71.9	43.5	20.9	46.9
1975	56.1	56.7	73.0	50.6	75.7	42.0	42.5	41.9	50.1	60.6	26.3	66.5	41.6	20.2	44.9
1976	56.8	57.5	73.4	51.5	76.0	43.2	44.2	43.1	50.8	60.6	25.8	66.8	42.8	19.2	46.4
1977	57.9	58.6	74.1	54.4	76.5	44.5	45.9	44.4	51.4	61.4	26.4	67.5	43.3	18.5	47.0
1978	59.3	60.0	75.0	56.3	77.2	46.3	48.5	46.1	53.6	63.3	28.5	69.1	45.8	22.1	49.3
1979	59.9	60.6	75.1	55.7	77.3	47.5	49.4	47.3	53.8	63.4	28.7	69.1	46.0	22.4	49.3
1980	59.2	60.0	73.4	53.4	75.6	47.8	47.9	47.8	52.3	60.4	27.0	65.8	45.7	21.0	49.1
1981	59.0	60.0	72.8	51.3	75.1	48.3	46.2	48.5	51.3	59.1	24.6	64.5	45.1	19.7	48.5
1982	57.8	58.8	70.6	47.0	73.0	48.1	44.6	48.4	49.4	56.0	20.3	61.4	44.2	17.7	47.5
1983	57.9	58.9	70.4	47.4	72.6	48.5	44.5	48.9	49.5	56.3	20.4	61.6	44.1	17.0	47.4
1984	59.5	60.5	72.1	49.1	74.3	49.8	47.0	50.0	52.3	59.2	23.9	64.1	46.7	20.1	49.8
1985	60.1	61.0	72.3	49.9	74.3	50.7	47.1	51.0	53.4	60.0	26.3	64.6	48.1	23.1	50.9
1986	60.7	61.5	72.3	49.6	74.3	51.7	47.9	52.0	54.1	60.6	26.5	65.1	48.8	23.8	51.6
1987	61.5	62.3	72.7	49.9	74.7	52.8	49.0	53.1	55.6	62.0	28.5	66.4	50.3	25.8	53.0
1988	62.3	63.1	73.2	51.7	75.1	53.8	50.2	54.0	56.3	62.7	29.4	67.1	51.2	25.8	53.9
1989	63.0	63.8	73.7	52.6	75.4	54.6	50.5	54.9	56.9	62.8	30.4	67.0	52.0	27.1	54.6
1990	62.8	63.7	73.3	51.0	75.1	54.7	48.3	55.2	56.7	62.6	27.7	67.1	51.9	25.8	54.7
1991	61.7	62.6	71.6	47.2	73.5	54.2	45.9	54.8	55.4	61.3	23.8	65.9	50.6	21.5	53.6
1992	61.5	62.4	71.1	46.4	73.1	54.2	44.2	54.9	54.9	59.9	23.6	64.3	50.8	22.1	53.6
1993	61.7	62.7	71.4	46.6	73.3	54.6	45.7	55.2	55.0	60.0	23.6	64.3	50.9	21.6	53.8
1994	62.5	63.5	71.8	48.3	73.6	55.8	47.5	56.4	56.1	60.8	25.4	65.0	52.3	24.5	55.0
1995	62.9	63.8	72.0	49.4	73.8	56.1	48.1	56.7	57.1	61.7	25.2	66.1	53.4	26.1	56.1
1996	63.2	64.1	72.3	48.2	74.2	56.3	47.6	57.0	57.4	61.1	24.9	65.5	54.4	27.1	57.1
1997	63.8	64.6	72.7	48.1	74.7	57.0	47.2	57.8	58.2	61.4	23.7	66.1	55.6	28.5	58.4
1998	64.1	64.7	72.7	48.6	74.7	57.1	49.3	57.7	59.7	62.9	28.4	67.1	57.2	31.8	59.7
1999	64.3	64.8	72.8	49.3	74.8	57.3	48.3	58.0	60.6	63.1	26.7	67.5	58.6	29.0	61.5
1999: Jan	64.4	65.0	72.9	48.6	75.0	57.4	48.6	58.1	61.0	64.4	28.4	68.8	58.3	30.2	61.2
1999: Feb	64.3	64.9	72.9	49.3	74.9	57.5	49.1	58.1	60.4	63.3	28.0	67.6	58.1	30.2	61.0
1999: Mar	64.2	64.9	73.0	48.5	75.0	57.3	48.8	57.9	60.4	63.0	27.8	67.4	58.2	29.2	61.1
1999: Apr	64.2	64.8	72.8	48.7	74.9	57.2	48.6	57.8	60.6	62.9	25.7	67.5	58.8	29.6	61.7
1999: May	64.2	64.7	72.7	50.1	74.5	57.3	48.4	57.9	60.7	63.3	26.9	67.8	58.6	29.2	61.6
1999: June	64.2	64.8	72.8	49.5	74.7	57.3	46.7	58.1	60.7	63.0	26.0	67.6	58.8	30.7	61.6
1999: July	64.2	64.8	72.9	49.9	74.8	57.2	48.1	57.9	60.2	62.1	25.5	66.6	58.6	29.3	61.6
1999: Aug	64.2	64.8	72.8	48.9	74.8	57.3	47.8	58.0	60.4	62.8	24.9	67.5	58.4	28.2	61.5
1999: Sept	64.2	64.8	72.9	49.4	74.9	57.1	47.8	57.8	60.6	62.7	26.2	67.2	58.9	26.8	62.1
1999: Oct	64.2	64.8	72.8	50.0	74.7	57.3	48.9	58.0	60.5	62.7	25.7	67.3	58.7	27.6	61.9
1999: Nov	64.3	64.8	72.7	49.6	74.7	57.4	48.9	58.0	60.7	63.1	25.4	67.7	58.8	28.0	61.9
1999: Dec	64.4	65.0	72.9	49.4	74.8	57.6	48.7	58.2	60.7	63.4	29.6	67.5	58.5	29.4	61.4
2000: Jan	64.8	65.4	73.2	50.1	75.2	58.1	49.8	58.7	60.9	64.0	29.0	68.2	58.4	27.6	61.5
2000: Feb	64.8	65.3	73.3	49.1	75.3	57.9	48.5	58.6	61.7	65.0	33.6	68.9	59.0	27.6	62.1
2000: Mar	64.7	65.3	73.3	50.7	75.1	57.8	47.8	58.6	61.2	64.0	31.4	68.0	58.8	26.7	62.1
2000: Apr	64.9	65.4	73.0	50.4	74.9	58.3	49.9	58.9	61.4	64.2	31.2	68.2	59.2	31.3	62.0
2000: May	64.3	64.9	72.7	50.0	74.6	57.5	48.2	58.2	60.7	62.6	27.8	66.8	59.0	30.7	61.9
2000: June	64.5	65.1	73.0	51.2	74.8	57.7	50.4	58.2	60.6	62.8	28.0	67.0	58.9	30.4	61.7
2000: July	64.2	64.9	72.6	49.2	74.6	57.5	47.7	58.3	60.2	62.9	26.7	67.3	58.0	29.7	60.8
2000: Aug	64.3	64.9	73.1	49.9	75.0	57.2	48.7	57.8	60.1	62.5	24.3	67.1	58.2	31.0	60.9
2000: Sept	64.3	64.9	72.8	49.0	74.7	57.5	48.9	58.2	60.3	62.7	26.0	67.1	58.2	31.5	60.9
2000: Oct	64.4	64.9	72.7	49.2	74.7	57.5	49.3	58.1	60.7	63.2	26.2	67.6	58.7	33.5	61.2
2000: Nov	64.3	64.8	72.4	48.1	74.4	57.5	49.2	58.1	61.1	64.0	32.5	67.7	58.8	33.4	61.3

¹ Civilian employment as percent of civilian noninstitutional population in group specified.
Note.—See Note, Table B-39.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-42.—*Civilian unemployment rate, 1950–2000*[Percent;¹ monthly data seasonally adjusted]

Year or month	All civilian work-ers	Males			Females			Both sexes 16-19 years	White	Black and other	Black	Experi-enced wage and salary workers	Married men, spouse present ²	Women who main-tain families
		Total	16-19 years	20 years and over	Total	16-19 years	20 years and over							
1950	5.3	5.1	12.7	4.7	5.7	11.4	5.1	12.2	4.9	9.0	.....	6.0	4.6	.....
1951	3.3	2.8	8.1	2.5	4.4	8.3	4.0	8.2	3.1	5.3	.....	3.7	1.5	.....
1952	3.0	2.8	8.9	2.4	3.6	8.0	3.2	8.5	2.8	5.4	.....	3.4	1.4	.....
1953	2.9	2.8	7.9	2.5	3.3	7.2	2.9	7.6	2.7	4.5	.....	3.2	1.7	.....
1954	5.5	5.3	13.5	4.9	6.0	11.4	5.5	12.6	5.0	9.9	.....	6.2	4.0	.....
1955	4.4	4.2	11.6	3.8	4.9	10.2	4.4	11.0	3.9	8.7	.....	4.8	2.6	.....
1956	4.1	3.8	11.1	3.4	4.8	11.2	4.2	11.1	3.6	8.3	.....	4.4	2.3	.....
1957	4.3	4.1	12.4	3.6	4.7	10.6	4.1	11.6	3.8	7.9	.....	4.6	2.8	.....
1958	6.8	6.8	17.1	6.2	6.8	14.3	6.1	15.9	6.1	12.6	.....	7.3	5.1	.....
1959	5.5	5.2	15.3	4.7	5.9	13.5	5.2	14.6	4.8	10.7	.....	5.7	3.6	.....
1960	5.5	5.4	15.3	4.7	5.9	13.9	5.1	14.7	5.0	10.2	.....	5.7	3.7	.....
1961	6.7	6.4	17.1	5.7	7.2	16.3	6.3	16.8	6.0	12.4	.....	6.8	4.6	.....
1962	5.5	5.2	14.7	4.6	6.2	14.6	5.4	14.7	4.9	10.9	.....	5.6	3.6	.....
1963	5.7	5.2	17.2	4.5	6.5	17.2	5.4	17.2	5.0	10.8	.....	5.6	3.4	.....
1964	5.2	4.6	15.8	3.9	6.2	16.6	5.2	16.2	4.6	9.6	.....	5.0	2.8	.....
1965	4.5	4.0	14.1	3.2	5.5	15.7	4.5	14.8	4.1	8.1	.....	4.3	2.4	.....
1966	3.8	3.2	11.7	2.5	4.8	14.1	3.8	12.8	3.4	7.3	.....	3.5	1.9	.....
1967	3.8	3.1	12.3	2.3	5.2	13.5	4.2	12.9	3.4	7.4	.....	3.6	1.8	4.9
1968	3.6	2.9	11.6	2.2	4.8	14.0	3.8	12.7	3.2	6.7	.....	3.4	1.6	4.4
1969	3.5	2.8	11.4	2.1	4.7	13.3	3.7	12.2	3.1	6.4	.....	3.3	1.5	4.4
1970	4.9	4.4	15.0	3.5	5.9	15.6	4.8	15.3	4.5	8.2	.....	4.8	2.6	5.4
1971	5.9	5.3	16.6	4.4	6.9	17.2	5.7	16.9	5.4	9.9	.....	5.7	3.2	7.3
1972	5.6	5.0	15.9	4.0	6.6	16.7	5.4	16.2	5.1	10.0	10.4	5.3	2.8	7.2
1973	4.9	4.2	13.9	3.3	6.0	15.3	4.9	14.5	4.3	9.0	9.4	4.5	2.3	7.1
1974	5.6	4.9	15.6	3.8	6.7	16.6	5.5	16.0	5.0	9.9	10.5	5.3	2.7	7.0
1975	8.5	7.9	20.1	6.8	9.3	19.7	8.0	19.9	7.8	13.8	14.8	8.2	5.1	10.0
1976	7.7	7.1	19.2	5.9	8.6	18.7	7.4	19.0	7.0	13.1	14.0	7.3	4.2	10.1
1977	7.1	6.3	17.3	5.2	8.2	18.3	7.0	17.8	6.2	13.1	14.0	6.6	3.6	9.4
1978	6.1	5.3	15.8	4.3	7.2	17.1	6.0	16.4	5.2	11.9	12.8	5.6	2.8	8.5
1979	5.8	5.1	15.9	4.2	6.8	16.4	5.7	16.1	5.1	11.3	12.3	5.5	2.8	8.3
1980	7.1	6.9	18.3	5.9	7.4	17.2	6.4	17.8	6.3	13.1	14.3	6.9	4.2	9.2
1981	7.6	7.4	20.1	6.3	7.9	19.0	6.8	19.6	6.7	14.2	15.6	7.3	4.3	10.4
1982	9.7	9.9	24.4	8.8	9.4	21.9	8.3	23.2	8.6	17.3	18.9	9.3	6.5	11.7
1983	9.6	9.9	23.3	8.9	9.2	21.3	8.1	22.4	8.4	17.8	19.5	9.2	6.5	12.2
1984	7.5	7.4	19.6	6.6	7.6	18.0	6.8	18.9	6.5	14.4	15.9	7.1	4.6	10.3
1985	7.2	7.0	19.5	6.2	7.4	17.6	6.6	18.6	6.2	13.7	15.1	6.8	4.3	10.4
1986	7.0	6.9	19.0	6.1	7.1	17.6	6.2	18.3	6.0	13.1	14.5	6.6	4.4	9.8
1987	6.2	6.2	17.8	5.4	6.2	15.9	5.4	16.9	5.3	11.6	13.0	5.8	3.9	9.2
1988	5.5	5.5	16.0	4.8	5.6	14.4	4.9	15.3	4.7	10.4	11.7	5.2	3.3	8.1
1989	5.3	5.2	15.9	4.5	5.4	14.0	4.7	15.0	4.5	10.0	11.4	5.0	3.0	8.1
1990	5.6	5.7	16.3	5.0	5.5	14.7	4.9	15.5	4.8	10.1	11.4	5.3	3.4	8.3
1991	6.8	7.2	19.8	6.4	6.4	17.5	5.7	18.7	6.1	11.1	12.5	6.6	4.4	9.3
1992	7.5	7.9	21.5	7.1	7.0	18.6	6.3	20.1	6.6	12.7	14.2	7.2	5.1	10.0
1993	6.9	7.2	20.4	6.4	6.6	17.5	5.9	19.0	6.1	11.7	13.0	6.6	4.4	9.7
1994	6.1	6.2	19.0	5.4	6.0	16.2	5.4	17.6	5.3	10.5	11.5	5.9	3.7	8.9
1995	5.6	5.6	18.4	4.8	5.6	16.1	4.9	17.3	4.9	9.6	10.4	5.4	3.3	8.0
1996	5.4	5.4	18.1	4.6	5.4	15.2	4.8	16.7	4.7	9.3	10.5	5.2	3.0	8.2
1997	4.9	4.9	16.9	4.2	5.0	15.0	4.4	16.0	4.2	8.8	10.0	4.7	2.7	8.1
1998	4.5	4.4	16.2	3.7	4.6	12.9	4.1	14.6	3.9	7.8	8.9	4.3	2.4	7.2
1999	4.2	4.1	14.7	3.5	4.3	13.2	3.8	13.9	3.7	7.0	8.0	4.0	2.2	6.4
1999-Jan	4.3	4.2	16.4	3.5	4.4	13.7	3.8	15.1	3.8	6.9	7.8	4.1	2.3	6.3
1999-Feb	4.4	4.3	14.9	3.7	4.4	13.4	3.8	14.2	3.8	7.3	8.2	4.1	2.4	6.5
1999-Mar	4.2	4.0	15.0	3.3	4.5	13.4	3.9	14.2	3.6	7.2	8.0	4.1	2.1	6.6
1999-Apr	4.3	4.1	14.8	3.5	4.6	13.4	4.0	14.1	3.8	7.0	7.8	4.2	2.3	7.1
1999-May	4.2	4.2	13.9	3.6	4.2	12.2	3.7	13.1	3.7	6.8	7.6	4.1	2.3	6.0
1999-June	4.3	4.1	14.3	3.5	4.4	13.0	3.8	13.6	3.8	6.7	7.6	4.1	2.2	6.5
1999-July	4.3	4.1	13.8	3.5	4.4	12.6	3.9	13.2	3.7	7.2	8.6	4.1	2.3	6.4
1999-Aug	4.2	4.1	13.9	3.5	4.3	13.2	3.7	13.5	3.7	6.8	7.8	4.0	2.3	6.3
1999-Sept	4.2	4.0	14.6	3.4	4.3	14.7	3.7	14.6	3.6	7.2	8.3	4.0	2.2	6.4
1999-Oct	4.1	4.1	14.2	3.5	4.2	13.4	3.5	13.8	3.5	7.2	8.3	3.9	2.2	6.0
1999-Nov	4.1	4.0	14.9	3.3	4.2	13.0	3.6	14.0	3.5	7.1	8.0	3.9	2.1	6.0
1999-Dec	4.1	4.0	15.2	3.3	4.1	12.2	3.6	13.8	3.5	7.0	7.9	3.9	2.2	6.2
2000-Jan	4.0	3.9	14.0	3.3	4.2	11.1	3.7	12.6	3.4	7.1	8.2	3.9	2.0	6.2
2000-Feb	4.1	4.1	15.5	3.4	4.1	12.6	3.5	14.1	3.6	6.9	7.8	3.9	2.1	6.1
2000-Mar	4.1	3.8	12.4	3.3	4.3	14.4	3.6	13.3	3.6	6.6	7.3	4.0	2.0	6.8
2000-Apr	3.9	3.8	13.6	3.2	4.0	11.6	3.5	12.7	3.5	6.3	7.2	3.7	1.8	6.3
2000-May	4.1	3.9	13.1	3.4	4.3	11.8	3.8	12.5	3.5	7.2	8.0	3.9	1.9	6.5
2000-June	4.0	3.9	14.1	3.2	4.1	8.9	3.8	11.6	3.4	6.9	7.9	3.9	1.9	6.1
2000-July	4.0	3.8	14.0	3.2	4.3	12.8	3.7	13.4	3.5	6.7	7.7	3.9	2.0	5.6
2000-Aug	4.1	4.0	16.0	3.2	4.3	12.6	3.8	14.4	3.6	7.0	8.0	4.0	2.0	6.0
2000-Sept	3.9	3.8	13.6	3.2	4.0	11.9	3.5	12.8	3.5	6.1	7.0	3.8	2.1	5.3
2000-Oct	3.9	3.9	13.2	3.4	3.9	12.0	3.4	12.6	3.4	6.5	7.3	3.8	2.0	5.4
2000-Nov	4.0	4.1	13.8	3.5	4.0	12.4	3.4	13.1	3.5	6.5	7.4	3.8	2.3	5.1

¹ Unemployed as percent of civilian labor force in group specified.² Data for 1950 are for March; data for 1951-54 are for April.

Note.—Data relate to persons 16 years of age and over.

See footnote 5 and Note, Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-43.—*Civilian unemployment rate by demographic characteristic, 1955–2000*
[Percent; ¹ monthly data seasonally adjusted]

Year or month	All civilian work- ers	White						Black and other or black						
		Total	Males			Females			Males			Females		
			Total	16-19 years	20 years and over	Total	16-19 years	20 years and over	Total	16-19 years	20 years and over	Total	16-19 years	20 years and over
Black and other														
1955	4.4	3.9	3.7	11.3	3.3	4.3	9.1	3.9	8.7	8.8	13.4	8.4	8.5	19.2
1956	4.1	3.6	3.4	10.5	3.0	4.2	9.7	3.7	8.3	7.9	15.0	7.4	8.9	22.8
1957	4.3	3.8	3.6	11.5	3.2	4.3	9.5	3.8	7.9	8.3	18.4	7.6	7.3	20.2
1958	6.8	6.1	6.1	15.7	5.5	6.2	12.7	5.6	12.6	13.7	26.8	12.7	10.8	28.4
1959	5.5	4.8	4.6	14.0	4.1	5.3	12.0	4.7	10.7	11.5	25.2	10.5	9.4	27.7
1960	5.5	5.0	4.8	14.0	4.2	5.3	12.7	4.6	10.2	10.7	24.0	9.6	9.4	24.8
1961	6.7	6.0	5.7	15.7	5.1	6.5	14.8	5.7	12.4	12.8	26.8	11.7	11.9	29.2
1962	5.5	4.9	4.6	13.7	4.0	5.5	12.8	4.7	10.9	10.9	22.0	10.0	11.0	30.2
1963	5.7	5.0	4.7	15.9	3.9	5.8	15.1	4.8	10.8	10.5	27.3	9.2	11.2	34.7
1964	5.2	4.6	4.1	14.7	3.4	5.5	14.9	4.6	9.6	8.9	24.3	7.7	10.7	31.6
1965	4.5	4.1	3.6	12.9	2.9	5.0	14.0	4.0	8.1	7.4	23.3	6.0	9.2	31.7
1966	3.8	3.4	2.8	10.5	2.2	4.3	12.1	3.3	7.3	6.3	21.3	4.9	8.7	31.3
1967	3.8	3.4	2.7	10.7	2.1	4.6	11.5	3.8	7.4	6.0	23.9	4.3	9.1	29.6
1968	3.6	3.2	2.6	10.1	2.0	4.3	12.1	3.4	6.7	5.6	22.1	3.9	8.3	28.7
1969	3.5	3.1	2.5	10.0	1.9	4.2	11.5	3.4	6.4	5.3	21.4	3.7	7.8	27.6
1970	4.9	4.5	4.0	13.7	3.2	5.4	13.4	4.4	8.2	7.3	25.0	5.6	9.3	34.5
1971	5.9	5.4	4.9	15.1	4.0	6.3	15.1	5.3	9.9	9.1	28.8	7.3	10.9	35.4
1972	5.6	5.1	4.5	14.2	3.6	5.9	14.2	4.9	10.0	8.9	29.7	6.9	11.4	38.4
Black														
1972	5.6	5.1	4.5	14.2	3.6	5.9	14.2	4.9	10.4	9.3	31.7	7.0	11.8	40.5
1973	4.9	4.3	3.8	12.3	3.0	5.3	13.0	4.3	9.4	8.0	27.8	6.0	11.1	36.1
1974	5.6	5.0	4.4	13.5	3.5	6.1	14.5	5.1	10.5	9.8	33.1	7.4	11.3	37.4
1975	8.5	7.8	7.2	18.3	6.2	8.6	17.4	7.5	14.8	14.8	38.1	12.5	14.8	41.0
1976	7.7	7.0	6.4	17.3	5.4	7.9	16.4	6.8	14.0	13.7	37.5	11.4	14.3	41.6
1977	7.1	6.2	5.5	15.0	4.7	7.3	15.9	6.2	14.0	13.3	39.2	10.7	14.9	43.4
1978	6.1	5.2	4.6	13.5	3.7	6.2	14.4	5.2	12.8	11.8	36.7	9.3	13.8	40.8
1979	5.8	5.1	4.5	13.9	3.6	5.9	14.0	5.0	12.3	11.4	34.2	9.3	13.3	39.1
1980	7.1	6.3	6.1	16.2	5.3	6.5	14.8	5.6	14.3	14.5	37.5	12.4	14.0	39.8
1981	7.6	6.7	6.5	17.9	5.6	6.9	16.6	5.9	15.6	15.7	40.7	13.5	15.6	42.2
1982	9.7	8.6	8.8	21.7	7.8	8.3	19.0	7.3	18.9	20.1	48.9	17.8	17.6	47.1
1983	9.6	8.4	8.8	20.2	7.9	7.9	18.3	6.9	19.5	20.3	48.8	18.1	18.6	48.2
1984	7.5	6.5	6.4	16.8	5.7	6.5	15.2	5.8	15.9	16.4	42.7	14.3	15.4	42.6
1985	7.2	6.2	6.1	16.5	5.4	6.4	14.8	5.7	15.1	15.3	41.0	13.2	14.9	39.2
1986	7.0	6.0	6.0	16.3	5.3	6.1	14.9	5.4	14.5	14.8	39.3	12.9	14.2	39.2
1987	6.2	5.3	5.4	15.5	4.8	5.2	13.4	4.6	13.0	12.7	34.4	11.1	13.2	34.9
1988	5.5	4.7	4.7	13.9	4.1	4.7	12.3	4.1	11.7	11.7	32.7	10.1	11.7	32.0
1989	5.3	4.5	4.5	13.7	3.9	4.5	11.5	4.0	11.4	11.5	31.9	10.0	11.4	33.0
1990	5.6	4.8	4.9	14.3	4.3	4.7	12.6	4.1	11.4	11.9	31.9	10.4	10.9	29.9
1991	6.8	6.1	6.5	17.6	5.8	5.6	15.2	5.0	12.5	13.0	36.3	11.5	12.0	36.0
1992	7.5	6.6	7.0	18.5	6.4	6.1	15.8	5.5	14.2	15.2	42.0	13.5	13.2	37.2
1993	6.9	6.1	6.3	17.7	5.7	5.7	14.7	5.2	13.0	13.8	40.1	12.1	12.1	37.4
1994	6.1	5.3	5.4	16.3	4.8	5.2	13.8	4.6	11.5	12.0	37.6	10.3	11.0	32.6
1995	5.6	4.9	4.9	15.6	4.3	4.8	13.4	4.3	10.4	10.6	37.1	8.8	10.2	34.3
1996	5.4	4.7	4.7	15.5	4.1	4.7	12.9	4.1	10.5	11.1	36.9	9.4	10.0	30.3
1997	4.9	4.2	4.2	14.3	3.6	4.2	12.8	3.7	10.0	10.2	36.5	8.5	9.9	28.7
1998	4.5	3.9	3.9	14.1	3.2	3.9	10.9	3.4	8.9	8.9	30.1	7.4	9.0	25.3
1999	4.2	3.7	3.6	12.6	3.0	3.8	11.3	3.3	8.0	8.2	30.9	6.7	7.8	25.1
1999: Jan	4.3	3.8	3.7	13.8	3.1	3.8	11.5	3.3	7.8	7.9	33.3	6.1	7.8	24.5
1999: Feb	4.4	3.8	3.8	12.6	3.3	3.8	11.4	3.3	8.2	8.2	31.2	6.7	8.1	25.0
1999: Mar	4.2	3.6	3.5	12.8	2.9	3.8	11.2	3.3	8.0	7.8	32.4	6.0	8.3	27.6
1999: Apr	4.3	3.8	3.6	12.6	3.0	4.1	11.6	3.6	7.8	7.9	32.0	6.3	7.8	23.8
1999: May	4.2	3.7	3.7	12.2	3.1	3.7	10.6	3.3	7.6	7.8	27.9	6.6	7.4	22.5
1999: June	4.3	3.8	3.7	12.0	3.2	3.9	12.0	3.4	7.6	7.7	28.8	6.4	7.5	21.2
1999: July	4.3	3.7	3.6	11.7	3.1	3.8	11.1	3.3	8.6	8.6	30.7	7.2	8.6	23.4
1999: Aug	4.2	3.7	3.7	12.3	3.2	3.7	11.0	3.2	7.8	7.6	29.6	6.3	8.0	26.7
1999: Sept	4.2	3.6	3.5	12.7	2.9	3.7	11.9	3.2	8.3	8.5	30.3	7.1	8.1	31.4
1999: Oct	4.1	3.5	3.4	11.9	2.9	3.6	11.7	3.1	8.3	9.5	35.3	7.7	7.2	26.1
1999: Nov	4.1	3.5	3.4	12.8	2.8	3.6	11.2	3.1	8.0	8.4	31.0	7.0	7.7	25.9
1999: Dec	4.1	3.5	3.4	13.3	2.8	3.5	10.9	3.0	7.9	8.3	27.5	7.0	7.6	23.0
2000: Jan	4.0	3.4	3.4	12.4	2.8	3.4	9.1	3.1	8.2	8.4	24.0	7.4	8.1	23.8
2000: Feb	4.1	3.6	3.6	14.4	2.9	3.5	10.4	3.1	7.8	8.1	22.3	7.1	7.5	26.6
2000: Mar	4.1	3.6	3.4	11.3	2.9	3.8	12.1	3.2	7.3	7.4	21.3	6.4	7.3	28.9
2000: Apr	3.9	3.5	3.4	13.0	2.8	3.5	10.0	3.1	7.2	7.6	22.0	6.6	6.8	22.4
2000: May	4.1	3.5	3.3	10.7	2.8	3.8	10.5	3.3	8.0	8.5	27.7	7.2	7.7	20.2
2000: June	4.0	3.4	3.3	11.2	2.8	3.5	7.4	3.2	7.9	8.5	32.0	6.9	7.3	18.2
2000: July	4.0	3.5	3.3	12.6	2.7	3.7	10.3	3.3	7.7	7.7	25.0	6.7	7.7	27.9
2000: Aug	4.1	3.6	3.4	13.3	2.7	3.8	11.0	3.3	8.0	8.9	33.7	7.4	7.2	22.5
2000: Sept	3.9	3.5	3.4	12.2	2.9	3.6	10.7	3.1	7.0	7.5	26.7	6.3	6.7	21.5
2000: Oct	3.9	3.4	3.3	11.5	2.9	3.4	10.6	2.9	7.3	8.2	28.0	7.0	6.5	21.0
2000: Nov	4.0	3.5	3.6	12.6	3.0	3.5	11.1	3.0	7.4	7.7	20.9	6.8	7.2	21.0

¹ Unemployed as percent of civilian labor force in group specified.

Note.—See Note, Table B-42.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-44.—*Unemployment by duration and reason, 1950–2000*
[Thousands of persons, except as noted; monthly data seasonally adjusted¹]

Year or month	Unemployment	Duration of unemployment						Reason for unemployment					
		Less than 5 weeks	5-14 weeks	15-26 weeks	27 weeks and over	Average (mean) duration (weeks)	Median duration (weeks)	Job losers ³			Job leavers	Reentrants	New entrants
								Total	On layoff	Other			
1950	3,288	1,450	1,055	425	357	12.1	.....	.....	.....	.....	.....	.....	.....
1951	2,055	1,177	574	166	137	9.7	.....	.....	.....	.....	.....	.....	.....
1952	1,883	1,135	516	148	84	8.4	.....	.....	.....	.....	.....	.....	.....
1953	1,834	1,142	482	132	78	8.0	.....	.....	.....	.....	.....	.....	.....
1954	3,532	1,605	1,116	495	317	11.8	.....	.....	.....	.....	.....	.....	.....
1955	2,852	1,335	815	366	336	13.0	.....	.....	.....	.....	.....	.....	.....
1956	2,750	1,412	805	301	232	11.3	.....	.....	.....	.....	.....	.....	.....
1957	2,859	1,408	891	321	239	10.5	.....	.....	.....	.....	.....	.....	.....
1958	4,602	1,753	1,396	785	667	13.9	.....	.....	.....	.....	.....	.....	.....
1959	3,740	1,585	1,114	469	571	14.4	.....	.....	.....	.....	.....	.....	.....
1960	3,852	1,719	1,176	503	454	12.8	.....	.....	.....	.....	.....	.....	.....
1961	4,714	1,806	1,376	728	804	15.6	.....	.....	.....	.....	.....	.....	.....
1962	3,911	1,663	1,134	534	585	14.7	.....	.....	.....	.....	.....	.....	.....
1963	4,070	1,751	1,231	535	553	14.0	.....	.....	.....	.....	.....	.....	.....
1964	3,786	1,697	1,117	491	482	13.3	.....	.....	.....	.....	.....	.....	.....
1965	3,366	1,628	983	404	351	11.8	.....	.....	.....	.....	.....	.....	.....
1966	2,875	1,573	779	287	239	10.4	.....	.....	.....	.....	.....	.....	.....
1967 ²	2,975	1,634	893	271	177	8.7	2.3	1,229	394	836	438	945	396
1968	2,817	1,594	810	256	156	8.4	4.5	1,070	334	736	431	909	407
1969	2,832	1,629	827	242	133	7.8	4.4	1,017	339	678	436	965	413
1970	4,093	2,139	1,290	428	235	8.6	4.9	1,811	675	1,137	550	1,228	504
1971	5,016	2,245	1,585	668	519	11.3	6.3	2,323	735	1,588	590	1,472	630
1972	4,882	2,242	1,472	601	566	12.0	6.2	2,108	582	1,526	641	1,456	677
1973	4,365	2,224	1,314	483	343	10.0	5.2	1,694	472	1,221	683	1,340	649
1974	5,156	2,604	1,597	574	381	9.8	5.2	2,242	746	1,495	768	1,463	681
1975	7,929	2,940	2,484	1,303	1,203	14.2	8.4	4,386	1,671	2,714	827	1,892	823
1976	7,406	2,844	2,196	1,018	1,348	15.8	8.2	3,679	1,050	2,628	903	1,928	895
1977	6,991	2,919	2,132	913	1,028	14.3	7.0	3,166	865	2,300	909	1,963	953
1978	6,202	2,865	1,923	766	648	11.9	5.9	2,585	712	1,873	874	1,857	885
1979	6,137	2,950	1,946	706	535	10.8	5.4	2,635	851	1,784	880	1,806	817
1980	7,637	3,295	2,470	1,052	820	11.9	6.5	3,947	1,488	2,459	891	1,927	872
1981	8,273	3,449	2,539	1,122	1,162	13.7	6.9	4,267	1,430	2,837	923	2,102	981
1982	10,678	3,883	3,311	1,708	1,776	15.6	8.7	6,268	2,127	4,141	840	2,384	1,185
1983	10,717	3,570	2,937	1,652	2,559	20.0	10.1	6,258	1,780	4,478	830	2,412	1,216
1984	8,539	3,350	2,451	1,104	1,634	18.2	7.9	4,421	1,171	3,250	823	2,184	1,110
1985	8,312	3,498	2,509	1,025	1,280	15.6	6.8	4,139	1,157	2,982	877	2,256	1,039
1986	8,237	3,448	2,557	1,045	1,187	15.0	6.9	4,033	1,090	2,943	1,015	2,160	1,029
1987	7,425	3,246	2,196	943	1,040	14.5	6.5	3,566	943	2,623	965	1,974	920
1988	6,701	3,084	2,007	801	809	13.5	5.9	3,092	851	2,241	983	1,809	816
1989	6,528	3,174	1,978	730	646	11.9	4.8	2,983	850	2,133	1,024	1,843	677
1990	7,047	3,265	2,257	822	703	12.0	5.3	3,387	1,028	2,359	1,041	1,930	688
1991	8,628	3,480	2,791	1,246	1,111	13.7	6.8	4,694	1,292	3,402	1,004	2,139	792
1992	9,613	3,376	2,830	1,453	1,954	17.7	8.7	5,389	1,260	4,129	1,002	2,285	937
1993	8,940	3,262	2,584	1,297	1,798	18.0	8.3	4,848	1,115	3,733	976	2,198	919
1994	7,996	2,728	2,408	1,237	1,623	18.8	9.2	3,815	977	2,838	791	2,786	604
1995	7,404	2,700	2,342	1,085	1,278	16.6	8.3	3,476	1,030	2,446	824	2,525	579
1996	7,236	2,633	2,287	1,053	1,262	16.7	8.3	3,370	1,021	2,349	774	2,512	580
1997	6,739	2,538	2,138	995	1,067	15.8	8.0	3,037	931	2,106	795	2,338	569
1998	6,210	2,622	1,950	763	875	14.5	6.7	2,822	866	1,957	734	2,132	520
1999	5,880	2,568	1,832	755	725	13.4	6.4	2,622	848	1,774	783	2,005	469
1999: Jan	6,007	2,397	2,012	776	715	13.5	6.8	2,708	863	1,845	729	2,009	519
Feb	6,108	2,585	1,925	754	785	13.8	6.9	2,721	854	1,867	750	2,090	498
Mar	5,828	2,521	1,884	752	715	13.6	6.8	2,646	833	1,813	774	2,007	446
Apr	6,032	2,741	1,868	794	680	13.2	6.1	2,695	843	1,852	810	2,039	473
May	5,823	2,502	1,832	784	735	13.4	6.6	2,678	837	1,841	781	2,034	440
June	5,934	2,540	1,775	806	828	14.3	6.3	2,670	876	1,794	831	2,038	359
July	5,937	2,640	1,778	779	732	13.5	5.8	2,670	847	1,823	768	2,003	459
Aug	5,842	2,599	1,798	747	716	13.2	6.4	2,629	893	1,736	793	1,942	481
Sept	5,825	2,582	1,805	708	704	13.0	5.9	2,573	869	1,704	758	1,967	504
Oct	5,757	2,545	1,811	719	715	13.2	6.3	2,518	802	1,716	778	1,958	511
Nov	5,736	2,601	1,760	725	676	13.0	6.2	2,493	851	1,642	821	1,935	485
Dec	5,688	2,620	1,694	693	695	12.8	5.9	2,401	795	1,606	825	2,036	453
2000: Jan	5,689	2,447	1,754	667	705	13.2	5.7	2,477	739	1,739	776	2,043	393
Feb	5,804	2,603	1,864	673	604	12.5	6.1	2,616	838	1,778	759	1,975	387
Mar	5,708	2,824	1,719	657	637	12.8	6.0	2,541	781	1,759	824	1,979	434
Apr	5,524	2,455	1,868	670	580	12.4	6.0	2,306	703	1,602	833	1,961	408
May	5,774	2,531	1,953	677	660	12.6	5.8	2,483	894	1,589	774	2,093	500
June	5,583	2,595	1,759	593	649	12.4	5.8	2,450	959	1,491	671	2,076	343
July	5,650	2,470	1,812	654	677	13.3	6.0	2,417	856	1,561	799	1,961	402
Aug	5,829	2,594	1,846	679	705	13.0	6.2	2,615	940	1,674	782	1,919	514
Sept	5,477	2,487	1,717	602	624	11.9	5.2	2,511	823	1,688	746	1,774	411
Oct	5,496	2,497	1,703	715	605	12.4	6.2	2,428	791	1,637	837	1,842	383
Nov	5,679	2,547	1,783	735	596	12.4	6.1	2,492	871	1,621	768	1,961	430

¹ Because of independent seasonal adjustment of the various series, detail will not add to totals.

² Data for 1967 by reason for unemployment are not equal to total unemployment.

³ Beginning January 1994, job losers and persons who completed temporary jobs.

Note.—Data relate to persons 16 years of age and over.

See footnote 5 and Note, Table B-35.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-45.—Unemployment insurance programs, selected data, 1969–2000

Year or month	All programs			State programs					Benefits paid	
	Covered employment ¹	Insured unemployment (weekly average) ^{2,3}	Total benefits paid (millions of dollars) ^{2,4}	Insured unemployment ³	Initial claims	Exhaustions ⁵	Insured unemployment as percent of covered employment			
								Total (millions of dollars) ⁴	Average weekly check (dollars) ⁶	
	Thousands			Weekly average; thousands						
1969	59,999	1,177	2,299	1,101	200	16	2.1	2,128	46.17	
1970	59,526	2,070	4,209	1,805	296	25	3.4	3,849	50.34	
1971	59,375	2,608	6,154	2,150	295	39	4.1	4,957	54.02	
1972	66,458	2,192	5,491	1,848	261	35	3.5	4,471	56.76	
1973	69,897	1,793	4,517	1,632	247	29	2.7	4,008	59.00	
1974	72,451	2,558	6,934	2,262	363	37	3.5	5,975	64.25	
1975	71,037	4,937	16,802	3,986	478	81	6.0	11,755	70.23	
1976	73,459	3,846	12,345	2,991	386	63	4.6	8,975	75.16	
1977	76,419	3,308	10,999	2,655	375	55	3.9	8,357	78.79	
1978	88,804	2,645	9,007	2,359	346	39	3.3	7,717	83.67	
1979	92,062	2,592	9,401	2,434	388	39	2.9	8,613	89.67	
1980	92,659	3,837	16,175	3,350	488	59	3.9	13,761	98.95	
1981	93,300	3,410	15,287	3,047	460	57	3.5	13,262	106.70	
1982	91,628	4,592	24,491	4,059	583	80	4.6	20,649	119.34	
1983	91,898	3,774	20,968	3,395	438	80	3.9	18,549	123.59	
1984	96,474	2,560	13,739	2,475	377	50	2.8	13,237	123.47	
1985	99,186	2,699	15,217	2,617	397	49	2.9	14,707	128.09	
1986	101,099	2,739	16,563	2,640	378	52	2.8	15,950	135.65	
1987	103,936	2,369	14,684	2,300	328	46	2.4	14,211	140.39	
1988	107,156	2,135	13,481	2,081	310	38	2.0	13,086	144.74	
1989	109,929	2,205	14,569	2,156	330	37	2.1	14,205	151.43	
1990	111,500	2,575	18,387	2,522	388	45	2.4	17,932	161.20	
1991	109,606	3,406	26,327	3,342	447	67	3.2	25,479	169.56	
1992	110,167	3,348	26,035	3,245	408	74	3.1	25,056	173.38	
1993	112,146	2,845	22,629	2,751	341	62	2.6	21,661	179.41	
1994	115,255	2,746	22,508	2,670	340	57	2.4	21,537	181.91	
1995	118,068	2,639	21,991	2,572	357	51	2.3	21,226	187.04	
1996	120,567	2,656	22,495	2,595	356	53	2.2	21,820	189.27	
1997	121,044	2,370	20,324	2,323	323	48	1.9	19,736	192.84	
1998	124,184	2,260	19,941	2,222	321	44	1.8	19,431	200.29	
1999	127,040	2,222	20,729	2,188	298	44	1.7	20,271	211.75	
				**	**		**			
1999: Jan		2,867	2,106.5	2,258	317	48	1.9	2,057.8	210.01	
Feb		2,773	2,075.2	2,204	292	45	1.8	2,032.2	213.05	
Mar		2,732	2,381.9	2,178	296	47	1.8	2,336.9	213.81	
Apr		2,217	1,792.1	2,183	308	46	1.8	1,757.2	210.69	
May		2,105	1,570.4	2,189	307	46	1.8	1,540.0	210.99	
June		2,129	1,699.0	2,213	304	45	1.8	1,666.8	209.76	
July		2,064	1,608.3	2,215	295	45	1.8	1,577.7	208.05	
Aug		2,175	1,699.2	2,203	290	46	1.8	1,662.5	208.81	
Sept		1,784	1,454.5	2,184	294	40	1.8	1,421.7	212.11	
Oct		1,764	1,333.9	2,142	290	39	1.7	1,300.9	214.83	
Nov		1,944	1,534.5	2,130	287	41	1.7	1,496.7	214.18	
Dec		2,053	1,760.1	2,131	284	40	1.7	1,721.8	214.96	
2000: Jan		2,850	2,148.3	2,082	281	50	1.7	2,106.3	219.41	
Feb		2,670	2,186.7	2,097	283	44	1.7	2,146.5	223.88	
Mar		2,296	2,117.1	2,000	265	41	1.6	2,077.2	222.55	
Apr		2,167	1,637.7	1,966	278	45	1.6	1,605.8	220.63	
May		1,886	1,643.5	1,975	291	42	1.6	1,611.5	220.33	
June		1,805	1,481.2	2,063	302	37	1.7	1,453.9	216.95	
July		2,202	1,632.1	2,120	295	44	1.7	1,600.9	215.99	
Aug		1,935	1,677.2	2,160	313	40	1.7	1,639.4	215.10	
Sept		1,774	1,406.3	2,157	307	35	1.7	1,370.5	220.15	
Oct		1,905	1,544.3	2,190	313	39	1.7	1,499.0	221.64	
Nov ^p				2,277	345		1.8			

** Monthly data are seasonally adjusted.

¹Through 1996 includes persons under the State, UCFE (Federal employee, effective January 1955), RRB (Railroad Retirement Board) programs, and UCX (unemployment compensation for ex-servicemembers, effective October 1958) programs. Beginning 1997, covered employment data are for State and UCFE programs only. Workers covered by State programs account for about 97 percent of wage and salary earners.

²Includes State, UCFE, RR, UCX, UCV (unemployment compensation for veterans, October 1952-January 1960), and SRA (Servicemen's Readjustment Act, September 1944-September 1951) programs. Also includes Federal and State extended benefit programs. Does not include FSB (Federal supplemental benefits), SUA (special unemployment assistance), Federal Supplemental Compensation, and Emergency Unemployment Compensation programs, except as noted in footnote 8.

³Covered workers who have completed at least 1 week of unemployment.

⁴Annual data are net amounts and monthly data are gross amounts.

⁵Individuals receiving final payments in benefit year.

⁶For total unemployment only.

⁷Including Emergency Unemployment Compensation and Federal Supplemental Compensation, total benefits paid for 1992 and 1993 would be approximately (in millions of dollars): for 1992, 39,990 and for 1993, 34,876.

Note.—Insured unemployment and initial claims programs include Puerto Rican sugar cane workers beginning 1963.

Source: Department of Labor, Employment and Training Administration.

TABLE B-46.—*Employees on nonagricultural payrolls, by major industry, 1950–2000*
[Thousands of persons; monthly data seasonally adjusted]

Year or month	Total	Goods-producing industries					
		Total	Mining	Construc- tion	Manufacturing		
					Total	Durable goods	Nondura- ble goods
1950	45,197	18,506	901	2,364	15,241	8,066	7,175
1951	47,819	19,959	929	2,637	16,393	9,059	7,334
1952	48,793	20,198	898	2,668	16,632	9,320	7,313
1953	50,202	21,074	866	2,659	17,549	10,080	7,468
1954	48,990	19,751	791	2,646	16,314	9,101	7,213
1955	50,641	20,513	792	2,839	16,882	9,511	7,370
1956	52,369	21,104	822	3,039	17,243	9,802	7,442
1957	52,855	20,967	828	2,962	17,176	9,825	7,351
1958	51,322	19,513	751	2,817	15,945	8,801	7,144
1959	53,270	20,411	732	3,004	16,675	9,342	7,333
1960	54,189	20,434	712	2,926	16,796	9,429	7,367
1961	53,999	19,857	672	2,859	16,326	9,041	7,285
1962	55,549	20,451	650	2,948	16,853	9,450	7,403
1963	56,653	20,640	635	3,010	16,995	9,586	7,410
1964	58,283	21,005	634	3,097	17,274	9,785	7,489
1965	60,763	21,926	632	3,232	18,062	10,374	7,688
1966	63,901	23,158	627	3,317	19,214	11,250	7,963
1967	65,803	23,308	613	3,248	19,447	11,408	8,039
1968	67,897	23,737	606	3,350	19,781	11,594	8,187
1969	70,384	24,361	619	3,575	20,167	11,862	8,304
1970	70,880	23,578	623	3,588	19,367	11,176	8,190
1971	71,211	22,935	609	3,704	18,623	10,604	8,019
1972	73,675	23,668	628	3,889	19,151	11,022	8,129
1973	76,790	24,893	642	4,097	20,154	11,863	8,291
1974	78,265	24,794	697	4,020	20,077	11,897	8,181
1975	76,945	22,600	752	3,525	18,323	10,662	7,661
1976	79,382	23,352	779	3,576	18,997	11,051	7,946
1977	82,471	24,346	813	3,851	19,682	11,570	8,112
1978	86,697	25,585	851	4,229	20,505	12,245	8,259
1979	89,823	26,461	958	4,463	21,040	12,730	8,310
1980	90,406	25,658	1,027	4,346	20,285	12,159	8,127
1981	91,152	25,497	1,139	4,188	20,170	12,082	8,089
1982	89,544	23,812	1,128	3,904	18,780	11,014	7,766
1983	90,152	23,330	952	3,946	18,432	10,707	7,725
1984	94,408	24,718	966	4,380	19,372	11,476	7,896
1985	97,387	24,842	927	4,668	19,248	11,458	7,790
1986	99,344	24,533	777	4,810	18,947	11,195	7,752
1987	101,958	24,674	717	4,958	18,999	11,154	7,845
1988	105,209	25,125	713	5,098	19,314	11,363	7,951
1989	107,884	25,254	692	5,171	19,391	11,394	7,997
1990	109,403	24,905	709	5,120	19,076	11,109	7,968
1991	108,249	23,745	689	4,650	18,406	10,569	7,837
1992	108,601	23,231	635	4,492	18,104	10,277	7,827
1993	110,713	23,352	610	4,668	18,075	10,221	7,854
1994	114,163	23,908	601	4,986	18,321	10,448	7,873
1995	117,191	24,265	581	5,160	18,524	10,683	7,841
1996	119,608	24,493	580	5,418	18,495	10,789	7,706
1997	122,690	24,962	596	5,691	18,675	11,010	7,665
1998	125,865	25,414	590	6,020	18,805	11,205	7,600
1999	128,786	25,482	535	6,404	18,543	11,103	7,440
1999: Jan	127,463	25,470	557	6,246	18,667	11,139	7,528
Feb	127,883	25,514	551	6,337	18,626	11,127	7,499
Mar	128,054	25,479	549	6,328	18,602	11,123	7,479
Apr	128,282	25,493	539	6,380	18,574	11,106	7,468
May	128,377	25,436	532	6,364	18,540	11,091	7,449
June	128,630	25,432	529	6,388	18,515	11,083	7,432
July	128,898	25,488	528	6,408	18,552	11,125	7,427
Aug	129,057	25,430	526	6,401	18,503	11,097	7,406
Sept	129,265	25,460	527	6,439	18,494	11,090	7,404
Oct	129,523	25,483	529	6,470	18,484	11,083	7,401
Nov	129,788	25,527	527	6,516	18,484	11,085	7,399
Dec	130,038	25,561	530	6,552	18,479	11,087	7,392
2000: Jan	130,387	25,677	530	6,652	18,495	11,099	7,396
Feb	130,482	25,624	533	6,618	18,473	11,088	7,385
Mar	131,009	25,738	536	6,726	18,476	11,094	7,382
Apr	131,419	25,725	539	6,694	18,492	11,104	7,388
May	131,590	25,684	539	6,666	18,479	11,106	7,373
June	131,647	25,700	539	6,668	18,493	11,120	7,373
July	131,607	25,756	538	6,670	18,548	11,161	7,387
Aug	131,528	25,644	537	6,675	18,432	11,087	7,345
Sept	131,723	25,639	539	6,720	18,380	11,052	7,328
Oct ^p	131,800	25,660	541	6,742	18,377	11,053	7,324
Nov ^p	131,894	25,656	542	6,736	18,378	11,068	7,310

Note.—Data in Tables B-46 and B-47 are based on reports from employing establishments and relate to full- and part-time wage and salary workers in nonagricultural establishments who received pay for any part of the pay period which includes the 12th of the month. Not comparable with labor force data (Tables B-35 through B-44), which include proprietors, self-employed persons, domestic servants,

See next page for continuation of table.

TABLE B-46.—*Employees on nonagricultural payrolls, by major industry, 1950–2000—Continued*
[Thousands of persons; monthly data seasonally adjusted]

Year or month	Service-producing industries								
	Total	Transportation and public utilities	Wholesale trade	Retail trade	Finance, insurance, and real estate	Services	Government		
							Total	Federal	State and local
1950	26,691	4,034	2,643	6,743	1,888	5,356	6,026	1,928	4,098
1951	27,860	4,226	2,735	7,007	1,956	5,547	6,389	2,302	4,087
1952	28,595	4,248	2,821	7,184	2,035	5,699	6,609	2,420	4,188
1953	29,128	4,290	2,862	7,385	2,111	5,835	6,645	2,305	4,340
1954	29,239	4,084	2,875	7,360	2,200	5,969	6,751	2,188	4,563
1955	30,128	4,141	2,934	7,601	2,298	6,240	6,914	2,187	4,727
1956	31,264	4,244	3,027	7,831	2,389	6,497	7,278	2,209	5,069
1957	31,889	4,241	3,037	7,848	2,438	6,708	7,616	2,217	5,399
1958	31,811	3,976	2,989	7,761	2,481	6,765	7,839	2,191	5,648
1959	32,857	4,011	3,092	8,035	2,549	7,087	8,083	2,233	5,850
1960	33,755	4,004	3,153	8,238	2,628	7,378	8,353	2,270	6,083
1961	34,142	3,903	3,142	8,195	2,688	7,619	8,594	2,279	6,315
1962	35,098	3,906	3,207	8,359	2,754	7,982	8,890	2,340	6,550
1963	36,013	3,903	3,258	8,520	2,830	8,277	9,225	2,358	6,868
1964	37,278	3,951	3,347	8,812	2,911	8,660	9,596	2,348	7,248
1965	38,839	4,036	3,477	9,239	2,977	9,036	10,074	2,378	7,696
1966	40,743	4,158	3,608	9,637	3,058	9,498	10,784	2,564	8,220
1967	42,495	4,268	3,700	9,906	3,185	10,045	11,391	2,719	8,672
1968	44,158	4,318	3,791	10,308	3,337	10,567	11,839	2,737	9,102
1969	46,023	4,442	3,919	10,785	3,512	11,169	12,195	2,758	9,437
1970	47,302	4,515	4,006	11,034	3,645	11,548	12,554	2,731	9,823
1971	48,276	4,476	4,014	11,338	3,772	11,797	12,881	2,696	10,185
1972	50,007	4,541	4,127	11,822	3,908	12,276	13,334	2,684	10,649
1973	51,897	4,656	4,291	12,315	4,046	12,857	13,732	2,663	11,068
1974	53,471	4,725	4,447	12,539	4,148	13,441	14,170	2,724	11,446
1975	54,345	4,542	4,430	12,630	4,165	13,892	14,686	2,748	11,937
1976	56,030	4,582	4,562	13,193	4,271	14,551	14,871	2,733	12,138
1977	58,125	4,713	4,723	13,792	4,467	15,302	15,127	2,727	12,399
1978	61,113	4,923	4,985	14,556	4,724	16,252	15,672	2,753	12,919
1979	63,363	5,136	5,221	14,972	4,975	17,112	15,947	2,773	13,174
1980	64,748	5,146	5,292	15,018	5,160	17,890	16,241	2,866	13,375
1981	65,655	5,165	5,375	15,171	5,298	18,615	16,031	2,772	13,259
1982	65,732	5,081	5,295	15,158	5,340	19,021	15,837	2,739	13,098
1983	66,821	4,952	5,283	15,587	5,466	19,664	15,869	2,774	13,096
1984	69,690	5,156	5,568	16,512	5,684	20,746	16,024	2,807	13,216
1985	72,544	5,233	5,727	17,315	5,948	21,927	16,394	2,875	13,519
1986	74,811	5,247	5,761	17,880	6,273	22,957	16,693	2,899	13,794
1987	77,284	5,362	5,848	18,422	6,533	24,110	17,010	2,943	14,067
1988	80,084	5,512	6,030	19,023	6,630	25,504	17,386	2,971	14,415
1989	82,630	5,614	6,187	19,475	6,668	26,907	17,779	2,988	14,791
1990	84,497	5,777	6,173	19,601	6,709	27,934	18,304	3,085	15,219
1991	84,504	5,755	6,081	19,284	6,646	28,336	18,402	2,966	15,436
1992	85,370	5,718	5,997	19,356	6,602	29,052	18,645	2,969	15,676
1993	87,361	5,811	5,981	19,773	6,757	30,197	18,841	2,915	15,926
1994	90,256	5,984	6,162	20,507	6,896	31,579	19,128	2,870	16,257
1995	92,925	6,132	6,378	21,187	6,806	33,117	19,305	2,822	16,484
1996	95,115	6,253	6,482	21,597	6,911	34,454	19,419	2,757	16,662
1997	97,727	6,408	6,648	21,966	7,109	36,040	19,557	2,699	16,857
1998	100,451	6,611	6,800	22,295	7,389	37,533	19,823	2,686	17,137
1999	103,304	6,826	6,924	22,788	7,569	39,027	20,170	2,669	17,502
1999: Jan	101,993	6,736	6,847	22,560	7,518	38,330	20,002	2,700	17,302
Feb	102,369	6,755	6,870	22,662	7,524	38,483	20,075	2,710	17,365
Mar	102,575	6,772	6,877	22,702	7,536	38,589	20,099	2,705	17,394
Apr	102,789	6,782	6,892	22,744	7,546	38,718	20,107	2,684	17,423
May	102,941	6,797	6,898	22,763	7,559	38,821	20,103	2,664	17,439
June	103,198	6,817	6,905	22,810	7,573	38,970	20,123	2,662	17,461
July	103,410	6,834	6,927	22,833	7,583	39,070	20,163	2,656	17,507
Aug	103,627	6,848	6,946	22,841	7,590	39,191	20,211	2,655	17,556
Sept	103,805	6,866	6,962	22,844	7,589	39,321	20,223	2,655	17,568
Oct	104,040	6,875	6,973	22,863	7,599	39,482	20,248	2,647	17,601
Nov	104,261	6,898	6,989	22,893	7,604	39,606	20,271	2,646	17,625
Dec	104,477	6,911	7,002	22,936	7,613	39,707	20,308	2,646	17,662
2000: Jan	104,710	6,925	7,005	22,973	7,612	39,844	20,351	2,663	17,688
Feb	104,858	6,937	7,011	22,978	7,624	39,914	20,394	2,700	17,694
Mar	105,271	6,953	7,033	23,027	7,621	40,090	20,547	2,816	17,731
Apr	105,694	6,970	7,055	23,197	7,610	40,195	20,667	2,885	17,782
May	105,906	6,962	7,048	23,064	7,600	40,220	21,012	3,238	17,774
June	105,947	6,985	7,049	23,122	7,588	40,401	20,802	3,092	17,710
July	105,851	7,010	7,050	23,196	7,586	40,403	20,606	2,819	17,787
Aug	105,884	6,941	7,062	23,191	7,608	40,572	20,510	2,657	17,853
Sept	106,084	7,037	7,070	23,179	7,622	40,685	20,491	2,627	17,864
Oct ^P	106,140	7,046	7,088	23,190	7,637	40,685	20,494	2,625	17,869
Nov ^P	106,238	7,062	7,102	23,236	7,648	40,750	20,440	2,612	17,828

Note (cont'd).—which count persons as employed when they are not at work because of industrial disputes, bad weather, etc., even if they are not paid for the time off; and which are based on a sample of the working-age population. For description and details of the various establishment data, see "Employment and Earnings."

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-47.—*Hours and earnings in private nonagricultural industries, 1959–2000*¹
[Monthly data seasonally adjusted]

Year or month	Average weekly hours			Average hourly earnings			Average weekly earnings, total private			
	Total private	Manufacturing		Total private		Manu- fac- turing (current dollars)	Level		Percent change from year earlier	
		Total	Over- time	Current dollars	1982 dollars ²		Current dollars	1982 dollars ²	Current dollars	1982 dollars ²
1959	39.0	40.3	2.7	\$2.02	\$6.69	\$2.19	\$78.78	\$260.86	4.9	4.2
1960	38.6	39.7	2.5	2.09	6.79	2.26	80.67	261.92	2.4	.4
1961	38.6	39.8	2.4	2.14	6.88	2.32	82.60	265.59	2.4	1.4
1962	38.7	40.4	2.8	2.22	7.07	2.39	85.91	273.60	4.0	3.0
1963	38.8	40.5	2.8	2.28	7.17	2.45	88.46	278.18	3.0	1.7
1964	38.7	40.7	3.1	2.36	7.33	2.53	91.33	283.63	3.2	2.0
1965	38.8	41.2	3.6	2.46	7.52	2.61	95.45	291.90	4.5	2.9
1966	38.6	41.4	3.9	2.56	7.62	2.71	98.82	294.11	3.5	.8
1967	38.0	40.6	3.4	2.68	7.72	2.82	101.84	293.49	3.1	–2
1968	37.8	40.7	3.6	2.85	7.89	3.01	107.73	298.42	5.8	1.7
1969	37.7	40.6	3.6	3.04	7.98	3.19	114.61	300.81	6.4	.8
1970	37.1	39.8	3.0	3.23	8.03	3.35	119.83	298.08	4.6	–9
1971	36.9	39.9	2.9	3.45	8.21	3.57	127.31	303.12	6.2	1.7
1972	37.0	40.5	3.5	3.70	8.53	3.82	136.90	315.44	7.5	4.1
1973	36.9	40.7	3.8	3.94	8.55	4.09	145.39	315.38	6.2	–0
1974	36.5	40.0	3.3	4.24	8.28	4.42	154.76	302.27	6.4	–4.2
1975	36.1	39.5	2.6	4.53	8.12	4.83	163.53	293.06	5.7	–3.0
1976	36.1	40.1	3.1	4.86	8.24	5.22	175.45	297.37	7.3	1.5
1977	36.0	40.3	3.5	5.25	8.36	5.68	189.00	300.96	7.7	1.2
1978	35.8	40.4	3.6	5.69	8.40	6.17	203.70	300.89	7.8	–0
1979	35.7	40.2	3.3	6.16	8.17	6.70	219.91	291.66	8.0	–3.1
1980	35.3	39.7	2.8	6.66	7.78	7.27	235.10	274.65	6.9	–5.8
1981	35.2	39.8	2.8	7.25	7.69	7.99	255.20	270.63	8.5	–1.5
1982	34.8	38.9	2.3	7.68	7.68	8.49	267.26	267.26	4.7	–1.2
1983	35.0	40.1	3.0	8.02	7.79	8.83	280.70	272.52	5.0	2.0
1984	35.2	40.7	3.4	8.32	7.80	9.19	292.86	274.73	4.3	.8
1985	34.9	40.5	3.3	8.57	7.77	9.54	299.09	271.16	2.1	–1.3
1986	34.8	40.7	3.4	8.76	7.81	9.73	304.85	271.94	1.9	.3
1987	34.8	41.0	3.7	8.98	7.73	9.91	312.50	269.16	2.5	–1.0
1988	34.7	41.1	3.9	9.28	7.69	10.19	322.02	266.79	3.0	–9
1989	34.6	41.0	3.8	9.66	7.64	10.48	334.24	264.22	3.8	–1.0
1990	34.5	40.8	3.6	10.01	7.52	10.83	345.35	259.47	3.3	–1.8
1991	34.3	40.7	3.6	10.32	7.45	11.18	353.98	255.40	2.5	–1.6
1992	34.4	41.0	3.8	10.57	7.41	11.46	363.61	254.99	2.7	–2
1993	34.5	41.4	4.1	10.83	7.39	11.74	373.64	254.87	2.8	–0
1994	34.7	42.0	4.7	11.12	7.40	12.07	385.86	256.73	3.3	.7
1995	34.5	41.6	4.4	11.43	7.39	12.37	394.34	255.07	2.2	–6
1996	34.4	41.6	4.5	11.82	7.43	12.77	406.61	255.73	3.1	.3
1997	34.6	42.0	4.8	12.28	7.55	13.17	424.89	261.31	4.5	2.2
1998	34.6	41.7	4.6	12.78	7.75	13.49	442.19	268.32	4.1	2.7
1999	34.5	41.7	4.6	13.24	7.86	13.91	456.78	271.25	3.3	1.1
1999: Jan	34.5	41.6	4.5	13.04	7.83	13.65	449.88	270.20	3.4	1.7
Feb	34.6	41.6	4.5	13.06	7.84	13.68	451.88	271.40	3.4	1.7
Mar	34.5	41.6	4.5	13.10	7.86	13.73	451.95	271.12	3.3	1.6
Apr	34.5	41.7	4.4	13.14	7.83	13.80	453.33	270.00	3.2	.9
May	34.5	41.7	4.6	13.19	7.86	13.85	455.06	271.03	3.0	.9
June	34.5	41.8	4.7	13.23	7.88	13.93	456.44	271.85	3.4	1.4
July	34.5	41.8	4.6	13.27	7.88	13.98	457.82	271.70	3.5	1.2
Aug	34.5	41.8	4.6	13.30	7.87	14.01	458.85	271.67	3.2	.9
Sept	34.5	41.8	4.7	13.35	7.86	14.04	460.58	271.25	3.7	.9
Oct	34.5	41.8	4.7	13.38	7.87	14.06	461.61	271.38	3.3	.5
Nov	34.5	41.7	4.7	13.41	7.87	14.07	462.65	271.51	3.3	.5
Dec	34.5	41.7	4.7	13.44	7.87	14.10	463.68	271.48	3.2	.3
2000: Jan	34.5	41.7	4.6	13.49	7.88	14.15	465.41	272.01	3.5	.7
Feb	34.6	41.8	4.7	13.54	7.87	14.21	468.48	272.37	3.7	.4
Mar	34.5	41.7	4.6	13.58	7.83	14.23	468.51	270.19	3.7	–3
Apr	34.6	42.2	4.9	13.64	7.87	14.28	471.94	272.17	4.1	.8
May	34.4	41.4	4.5	13.66	7.87	14.27	469.90	270.84	3.3	–1
June	34.5	41.6	4.6	13.70	7.85	14.36	472.65	270.86	3.6	–4
July	34.4	41.7	4.6	13.75	7.86	14.39	473.00	270.44	3.3	–5
Aug	34.3	41.4	4.5	13.80	7.90	14.43	473.34	271.10	3.2	–2
Sept	34.4	41.3	4.4	13.83	7.87	14.43	475.75	270.77	3.3	–2
Oct ^p	34.4	41.4	4.5	13.88	7.89	14.56	477.47	271.44	3.4	.0
Nov ^p	34.3	41.1	4.3	13.94	7.91	14.64	478.14	271.21	3.3	–1

¹ For production or nonsupervisory workers; total includes private industry groups shown in Table B-46.

² Current dollars divided by the consumer price index for urban wage earners and clerical workers on a 1982=100 base.

Note.—See Note, Table B-46.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-48.—*Employment cost index, private industry, 1980–2000*

Year and month	Total private			Goods-producing			Service-producing			Manufacturing			Nonmanufacturing		
	Total compensation	Wages and salaries	Benefits ¹	Total compensation	Wages and salaries	Benefits ¹	Total compensation	Wages and salaries	Benefits ¹	Total compensation	Wages and salaries	Benefits ¹	Total compensation	Wages and salaries	Benefits ¹
Index, June 1989=100; not seasonally adjusted															
December:															
1980	64.8	67.1	59.4	66.7	69.7	60.5	63.3	65.3	58.4	66.0	68.9	59.9	64.2	66.2	59.1
1981	71.2	73.0	66.6	73.3	75.7	68.2	69.5	71.1	65.1	72.5	74.9	67.5	70.4	72.1	66.1
1982	75.8	77.6	71.4	77.8	80.0	73.2	74.1	75.9	69.6	76.9	79.1	72.4	75.1	76.8	70.6
1983	80.1	81.4	76.7	81.6	83.2	78.3	78.9	80.2	75.2	80.8	82.5	77.5	79.6	81.0	76.2
1984	84.0	84.8	81.7	85.4	86.4	83.2	82.9	83.7	80.4	85.0	86.1	82.7	83.4	84.2	81.1
1985	87.3	88.3	84.6	88.2	89.4	85.7	86.6	87.7	83.6	87.8	89.2	85.0	87.0	88.0	84.4
1986	90.1	91.1	87.5	91.0	92.3	88.3	89.3	90.3	86.8	90.7	92.1	87.5	89.7	90.6	87.5
1987	93.1	94.1	90.5	93.8	95.2	90.9	92.6	93.4	90.2	93.4	95.2	89.8	92.9	93.7	91.0
1988	97.6	98.0	96.7	97.9	98.2	97.3	97.3	97.8	96.1	97.6	98.1	96.6	97.5	97.8	96.8
1989	102.3	102.0	102.6	102.1	102.0	102.6	102.3	102.2	102.6	102.0	101.9	102.3	102.3	102.2	102.8
1990	107.0	106.1	109.4	107.0	105.8	109.9	107.0	106.3	109.0	107.2	106.2	109.5	106.9	106.1	109.3
1991	111.7	110.0	116.2	111.9	109.7	116.7	111.6	110.2	115.7	112.2	110.3	116.1	111.5	109.8	116.2
1992	115.6	112.9	122.2	116.1	112.8	123.4	115.2	113.0	121.2	116.5	113.7	122.6	115.1	112.6	122.0
1993	119.8	116.4	128.3	120.6	116.1	130.3	119.3	116.6	126.7	121.3	117.3	130.0	119.0	116.0	127.4
1994	123.5	119.7	133.0	124.3	119.6	134.8	122.8	119.7	131.5	125.1	120.8	134.3	122.6	119.1	132.3
1995	126.7	123.1	135.9	127.3	122.9	137.1	126.2	123.2	134.7	128.3	124.3	136.7	125.9	122.5	135.3
1996	130.6	127.3	138.6	130.9	126.8	139.7	130.2	127.5	137.4	132.1	128.4	139.8	129.8	126.8	137.9
1997	135.1	132.3	141.8	134.1	130.6	141.5	135.3	133.1	141.4	135.3	132.2	141.7	134.7	132.1	141.5
1998	139.8	137.4	145.2	137.8	135.2	143.2	140.5	138.4	145.7	138.9	136.8	142.7	139.7	137.4	145.8
1999	144.6	142.2	150.2	142.5	139.7	148.2	145.3	143.3	150.7	143.6	141.5	147.8	144.5	142.1	150.7
2000: Mar	146.8	143.9	153.8	144.8	141.3	152.3	147.4	145.0	154.0	146.0	142.9	152.3	146.7	143.9	154.0
June	148.5	145.4	155.7	146.6	143.0	154.2	149.1	146.5	156.0	147.5	144.4	153.9	148.4	145.5	156.1
Sept	149.9	146.8	157.5	147.9	144.3	155.7	150.6	147.9	157.9	148.7	145.7	154.9	150.0	146.9	158.1
Index, June 1989=100; seasonally adjusted															
1999: Mar	140.3	138.1	145.4	139.0	136.3	144.3	140.9	138.9	146.0	139.8	137.9	143.6	140.4	137.9	146.3
June	141.8	139.7	146.8	139.9	137.3	145.1	142.7	140.8	147.9	140.8	139.0	144.4	142.0	139.8	148.0
Sept	143.1	140.9	148.2	141.1	138.5	146.3	144.0	142.0	149.3	142.0	140.2	145.8	143.2	140.9	149.3
Dec	144.5	142.2	149.9	142.6	139.7	148.3	145.4	143.3	150.9	143.6	141.5	147.8	144.6	142.2	150.7
2000: Mar	146.6	143.9	153.4	144.9	141.3	152.3	147.4	145.0	153.9	145.9	142.9	152.3	146.8	143.9	154.0
June	148.2	145.4	155.3	146.6	143.0	154.1	149.0	146.5	156.0	147.4	144.4	153.8	148.4	145.6	156.1
Sept	149.7	146.7	157.0	148.0	144.3	155.7	150.5	147.8	157.8	148.7	145.7	155.0	149.8	146.8	158.0
Percent change from 12 months earlier, not seasonally adjusted															
December:															
1980	9.6	9.1	11.7	9.9	9.4	10.8	9.7	8.8	12.5	9.8	9.4	10.5	9.7	8.9	12.6
1981	9.9	8.8	12.1	9.9	8.6	12.7	9.8	8.9	11.5	9.8	8.7	12.7	9.7	8.9	11.8
1982	6.5	6.3	7.2	6.1	5.7	7.3	6.6	6.8	6.9	6.1	5.6	7.3	6.7	6.5	6.8
1983	5.7	4.9	7.4	4.9	4.0	7.0	6.5	5.7	8.0	5.1	4.3	7.0	6.0	5.5	7.9
1984	4.9	4.2	6.5	4.7	3.8	6.3	5.1	4.4	6.9	5.2	4.4	6.7	4.8	4.0	6.4
1985	3.9	4.1	3.5	3.3	3.5	3.0	4.5	4.8	4.0	3.3	3.6	2.8	4.3	4.5	4.1
1986	3.2	3.2	3.4	3.2	3.2	3.0	3.1	3.0	3.8	3.3	3.3	2.9	3.1	3.0	3.7
1987	3.3	3.3	3.4	3.1	3.1	2.9	3.7	3.4	3.9	3.0	3.4	2.6	3.6	3.4	4.0
1988	4.8	4.1	6.9	4.4	3.2	7.0	5.1	4.7	6.5	4.5	3.0	7.6	5.0	4.4	6.4
1989	4.8	4.1	6.1	4.3	3.9	5.4	5.1	4.5	6.8	4.5	3.9	5.9	4.9	4.5	6.2
1990	4.6	4.0	6.6	4.8	3.7	7.1	4.6	4.0	6.2	5.1	4.2	7.0	4.5	3.8	6.3
1991	4.4	3.7	6.2	4.6	3.7	6.2	4.3	3.7	6.1	4.7	3.9	6.0	4.3	3.5	6.3
1992	3.5	2.6	5.2	3.8	2.8	5.7	3.2	2.5	4.8	3.8	3.1	5.6	3.2	2.6	5.0
1993	3.6	3.1	5.0	3.9	2.9	5.6	3.6	3.2	4.5	4.1	3.2	6.0	3.4	3.0	4.4
1994	3.1	2.8	3.7	3.1	3.0	3.5	2.9	2.7	3.8	3.1	3.0	3.3	3.0	2.7	3.8
1995	2.6	2.8	2.2	2.4	2.8	1.7	2.8	2.9	2.4	2.6	2.9	1.8	2.7	2.9	2.3
1996	3.1	3.4	2.0	2.8	3.2	1.9	3.2	3.5	2.0	3.0	3.3	2.3	3.1	3.5	1.9
1997	3.4	3.9	2.3	2.4	3.0	1.3	3.9	4.4	2.9	2.4	3.0	1.4	3.8	4.2	2.6
1998	3.5	3.9	2.4	2.8	3.5	1.2	3.8	4.0	3.0	2.7	3.5	.7	3.7	4.0	3.0
1999	3.4	3.5	3.4	3.4	3.3	3.4	3.4	3.5	3.4	3.4	3.4	3.4	3.4	3.4	3.4
2000: Mar	4.6	4.2	5.5	4.2	3.7	5.6	4.6	4.4	5.4	4.4	3.6	6.1	4.6	4.4	5.3
June	4.6	4.1	5.7	4.8	4.2	6.2	4.4	4.0	5.5	4.7	3.9	6.5	4.5	4.2	5.5
Sept	4.6	4.1	6.0	4.8	4.2	6.4	4.5	4.1	5.7	4.6	3.9	6.3	4.6	4.2	5.8
Percent change from 3 months earlier, seasonally adjusted															
1999: Mar	0.4	0.4	0.3	0.8	0.8	0.7	0.3	0.3	0.1	0.7	0.8	0.6	0.4	0.3	0.3
June	1.1	1.2	1.0	.6	.7	.6	1.3	1.4	1.3	.7	.8	.6	1.1	1.4	1.2
Sept .....	.9	.9	1.0	.9	.9	.8	.9	.9	.9	.9	.9	1.0	.8	.8	.9
Dec	1.0	.9	1.1	1.1	.9	1.4	1.0	.9	1.1	1.1	.9	1.4	1.0	.9	.9
2000: Mar	1.5	1.2	2.3	1.6	1.1	2.7	1.4	1.2	2.0	1.6	1.0	3.0	1.5	1.2	2.2
June	1.1	1.0	1.2	1.2	1.2	1.2	1.1	1.0	1.4	1.0	1.0	1.0	1.1	1.2	1.4
Sept	1.0	.9	1.1	1.0	.9	1.0	1.0	.9	1.2	.9	.9	.8	.9	.8	1.2

¹ Employer costs for employee benefits.

Note.—The employment cost index is a measure of the change in the cost of labor, free from the influence of employment shifts among occupations and industries.

Data exclude farm and household workers.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-49.—*Productivity and related data, business sector, 1959–2000*

[Index numbers, 1992=100; quarterly data seasonally adjusted]

Year or quarter	Output per person ¹		Output ¹		Hours of all persons ²		Compensation per hour ³		Real compensation per hour ⁴		Unit labor costs		Implicit price deflator ⁵	
	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector
1959	47.9	51.3	31.9	31.6	66.6	61.6	13.1	13.7	58.5	61.2	27.4	26.7	26.7	26.2
1960	48.8	51.9	32.5	32.1	66.6	61.9	13.7	14.3	60.0	62.8	28.0	27.5	27.0	26.5
1961	50.6	53.7	33.1	32.8	65.4	61.1	14.2	14.8	61.8	64.4	28.1	27.6	27.2	26.7
1962	52.9	56.1	35.2	35.0	66.6	62.4	14.9	15.4	63.9	66.3	28.1	27.5	27.4	26.9
1963	55.0	58.1	36.8	36.6	67.0	63.1	15.4	16.0	65.4	67.8	28.0	27.5	27.6	27.1
1964	57.5	60.6	39.2	39.1	68.1	64.6	16.2	16.7	67.9	69.9	28.2	27.6	27.9	27.5
1965	59.6	62.4	41.9	41.9	70.4	67.1	16.8	17.2	69.4	71.1	28.2	27.6	28.4	27.8
1966	62.0	64.6	44.8	44.9	72.3	69.5	17.9	18.2	71.9	73.2	28.9	28.2	29.1	28.5
1967	63.4	65.8	45.6	45.7	72.0	69.4	19.0	19.3	73.8	75.1	29.9	29.4	29.9	29.4
1968	65.4	67.8	47.9	48.1	73.4	70.9	20.4	20.7	76.3	77.5	31.3	30.6	31.0	30.5
1969	65.7	67.9	49.4	49.5	75.2	72.9	21.9	22.2	77.4	78.5	33.3	32.6	32.4	31.9
1970	67.0	68.9	49.4	49.5	73.7	71.8	23.5	23.7	78.9	79.5	35.1	34.4	33.9	33.3
1971	69.9	71.8	51.3	51.4	73.3	71.5	25.0	25.3	80.4	81.1	35.8	35.2	35.3	34.7
1972	72.2	74.2	54.7	54.9	75.7	73.9	26.6	26.9	82.7	83.6	36.8	36.2	36.5	35.8
1973	74.5	76.6	58.5	58.9	76.9	76.9	28.9	29.1	84.5	85.1	38.8	38.0	38.4	37.0
1974	73.2	75.4	57.6	58.0	78.6	77.0	31.7	32.0	83.5	84.2	43.2	42.4	42.1	40.8
1975	75.8	77.4	57.0	57.0	75.2	73.6	34.9	35.2	84.4	85.0	46.1	45.5	46.1	45.1
1976	78.5	80.3	60.9	61.1	77.6	76.1	38.0	38.2	86.8	87.3	48.4	47.6	48.5	47.6
1977	79.8	81.5	64.3	64.6	80.6	79.2	41.0	41.3	87.9	88.5	51.4	50.7	51.4	50.6
1978	80.7	82.6	68.3	68.8	84.7	83.3	44.6	45.0	89.5	90.2	55.3	54.5	55.1	54.1
1979	80.7	82.3	70.6	70.9	87.5	86.3	48.9	49.3	89.7	90.3	60.7	59.9	59.8	58.7
1980	80.4	82.0	69.8	70.2	86.8	85.6	54.2	54.6	89.5	90.0	67.4	66.5	65.2	64.3
1981	82.0	83.0	71.7	71.6	87.4	86.2	59.4	59.9	89.5	90.3	72.4	72.1	71.2	70.5
1982	81.7	82.5	69.6	69.4	85.2	84.1	63.8	64.3	90.9	91.6	78.2	77.9	75.3	74.8
1983	84.6	86.3	73.3	73.8	86.6	85.6	66.5	67.1	91.0	91.8	78.6	77.8	77.8	77.2
1984	87.0	88.1	79.7	80.0	91.6	90.7	69.5	70.0	91.3	92.0	79.8	79.4	80.0	79.4
1985	88.7	89.3	83.1	83.0	93.6	93.0	72.9	73.2	92.7	93.2	82.1	82.0	82.2	81.9
1986	91.4	92.0	86.1	86.2	94.2	93.8	76.7	77.0	95.8	96.3	83.9	83.7	83.5	83.2
1987	91.9	92.3	89.2	89.3	97.0	96.7	79.7	80.0	96.3	96.6	86.7	86.6	85.6	85.4
1988	93.0	93.5	92.9	93.3	100.0	99.8	83.5	83.6	97.3	97.5	89.8	89.4	88.3	87.9
1989	93.9	94.2	96.2	96.5	102.4	102.4	85.8	85.8	95.9	95.9	91.3	91.1	91.5	91.2
1990	95.2	95.3	97.6	97.8	102.6	102.7	90.7	90.5	96.5	96.3	95.3	95.0	94.8	94.5
1991	96.3	96.4	96.5	96.6	100.2	100.2	95.0	95.0	97.5	97.5	98.7	98.5	98.1	98.0
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	100.5	100.5	103.1	103.3	102.6	102.9	102.5	102.2	99.9	99.6	101.9	101.7	102.2	102.2
1994	101.9	101.8	108.1	108.2	106.1	106.2	104.5	104.3	99.7	99.5	102.6	102.5	104.0	104.1
1995	102.6	102.8	111.5	111.8	108.7	108.8	106.7	106.6	99.3	99.2	104.1	103.7	106.0	106.1
1996	105.4	105.4	116.4	116.7	110.4	110.7	110.1	109.8	99.7	99.5	104.5	104.2	107.7	107.6
1997	107.6	107.3	122.5	122.7	113.8	114.3	113.3	112.9	100.4	100.0	105.3	105.1	109.7	109.8
1998	110.5	110.2	128.6	129.0	116.4	117.1	119.3	118.6	104.3	103.8	107.9	107.7	110.6	110.8
1999	114.0	113.4	134.8	135.1	118.3	119.2	125.2	124.4	107.3	106.5	109.9	109.7	111.8	112.3
1995:I	102.0	102.2	110.5	110.8	108.3	108.4	105.5	105.4	99.1	99.0	103.5	103.1	105.5	105.6
1995:II	102.3	102.6	110.8	111.1	108.2	108.3	106.4	106.2	99.1	99.0	104.0	103.6	105.9	106.0
1995:III	102.5	102.8	111.8	112.2	109.1	109.2	107.1	106.9	99.3	99.1	104.5	104.0	106.3	106.3
1995:IV	103.4	103.6	112.9	113.3	109.2	109.4	108.0	107.7	99.5	99.3	104.4	104.0	106.6	106.5
1996:I	104.5	104.6	114.0	114.4	109.2	109.4	108.6	108.4	99.4	99.2	104.0	103.7	107.0	106.9
1996:II	105.6	105.6	116.1	116.4	110.0	110.3	109.7	109.4	99.5	99.3	103.9	103.7	107.5	107.3
1996:III	105.6	105.5	116.8	117.2	110.7	111.0	110.7	110.3	99.9	99.6	104.8	104.5	108.0	107.7
1996:IV	106.0	105.9	118.4	118.7	111.7	112.1	111.5	111.1	99.9	99.6	105.2	104.9	108.4	108.3
1997:I	106.3	106.1	119.9	120.2	112.8	113.3	112.0	111.7	99.8	99.5	105.4	105.2	109.1	109.1
1997:II	107.3	107.1	122.0	122.2	113.7	114.1	112.3	112.0	99.8	99.5	104.7	104.5	109.6	109.7
1997:III	108.3	108.0	123.5	123.6	114.1	114.5	113.5	113.0	100.4	100.0	104.8	104.7	109.9	110.1
1997:IV	108.5	108.1	124.4	124.7	114.7	115.3	115.3	114.7	101.5	101.0	106.3	106.1	110.2	110.4
1998:I	109.7	109.3	126.8	127.1	115.6	116.3	117.1	116.4	102.9	102.3	106.7	106.5	110.3	110.5
1998:II	110.0	109.8	127.7	128.1	116.1	116.7	118.5	117.9	103.8	103.2	107.7	107.5	110.5	110.7
1998:III	110.6	110.3	128.9	129.2	116.6	117.2	120.0	119.4	104.7	104.2	108.5	108.3	110.7	111.0
1998:IV	111.6	111.2	131.0	131.4	117.4	118.1	121.4	120.8	105.5	104.9	108.8	108.5	110.9	111.2
1999:I	112.6	112.0	132.3	132.6	117.5	118.4	123.0	122.1	106.4	105.7	109.3	109.0	111.4	111.8
1999:II	112.8	112.1	133.1	133.4	118.0	118.9	124.5	123.6	106.9	106.1	110.4	110.2	111.8	112.2
1999:III	114.2	113.6	135.3	135.6	118.5	119.4	126.1	125.2	107.6	106.8	110.5	110.3	111.9	112.4
1999:IV	116.3	115.8	138.5	138.9	119.1	120.0	127.3	126.5	107.8	107.2	109.5	109.3	112.2	112.7
2000:I	116.7	116.3	140.3	140.7	120.2	120.9	128.4	127.8	107.7	107.1	110.0	109.8	113.0	113.6
2000:II	118.7	118.1	142.4	142.9	120.0	121.0	130.6	129.6	108.5	107.7	110.0	109.7	113.7	114.1
2000:III	119.5	119.1	143.3	143.8	119.9	120.8	132.4	131.6	109.2	108.5	110.8	110.5	114.1	114.7

¹ Output refers to real gross domestic product in the sector.² Hours at work of all persons engaged in the sector, including hours of proprietors and unpaid family workers. Estimates based primarily on establishment data.³ Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.⁴ Hourly compensation divided by the consumer price index for all urban consumers for recent quarters. The trend from 1978-99 is based on the consumer price index research series (CPI-U-RS).⁵ Current dollar output divided by the output index.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-50.—*Changes in productivity and related data, business sector, 1959–2000*

[Percent change from preceding period; quarterly data at seasonally adjusted annual rates]

Year or quarter	Output per hour of all persons		Output ¹		Hours of all persons ²		Compensation per hour ³		Real compensation per hour ⁴		Unit labor costs		Implicit price deflator ⁵	
	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector	Business sector	Nonfarm business sector
1959	4.0	4.0	8.3	8.8	4.1	4.6	4.2	4.0	3.5	3.3	0.1	0.0	0.7	1.2
1960	1.9	1.3	1.9	1.7	.0	.4	4.3	4.5	2.6	2.7	2.4	3.1	1.1	1.2
1961	3.7	3.4	2.0	2.0	-1.7	-1.3	4.1	3.6	3.1	2.5	.4	.2	.8	.8
1962	4.6	4.5	6.4	6.8	1.7	2.2	4.5	4.0	3.4	3.0	-1	-5	1.0	1.0
1963	3.9	3.5	4.6	4.6	.6	1.1	3.7	3.5	2.3	2.2	-2	.0	.6	.7
1964	4.6	4.2	6.4	6.7	1.7	2.4	5.1	4.6	3.8	3.2	.5	.3	1.1	1.2
1965	3.6	3.1	7.0	7.1	3.3	3.8	3.8	3.3	2.1	1.7	.2	.2	1.6	1.4
1966	4.1	3.5	6.8	7.2	2.6	3.6	6.7	5.8	3.7	2.9	2.5	2.2	2.5	2.3
1967	2.2	1.7	1.9	1.7	-3	-1	5.7	5.9	2.6	2.7	3.5	4.1	2.7	3.2
1968	3.1	3.1	5.0	5.3	1.8	2.1	7.7	7.4	3.4	3.1	4.4	4.2	3.9	3.8
1969 .....	.5	.1	3.0	3.0	2.5	2.9	7.0	6.8	1.5	1.3	6.5	6.7	4.5	4.4
1970	2.0	1.5	.0	-1	-2.0	-1.6	7.7	7.2	1.9	1.4	5.6	5.6	4.4	4.5
1971	4.4	4.2	3.9	3.8	-4	-3	6.4	6.5	1.9	2.0	1.9	2.2	4.3	4.4
1972	3.3	3.4	6.6	6.9	3.3	3.4	6.2	6.4	2.9	3.0	2.8	2.9	3.3	2.9
1973	3.2	3.1	7.0	7.3	3.7	4.0	8.5	8.2	2.2	1.9	5.2	4.9	5.2	3.6
1974	-1.7	-1.6	-1.5	-1.5	.1	.1	9.7	9.8	-1.2	-1.1	11.6	11.6	9.6	10.2
1975	3.5	2.7	-1.0	-1.7	-4.3	-4.3	10.3	10.1	1.0	.9	6.5	7.2	9.6	10.6
1976	3.6	3.7	6.8	7.2	3.1	3.4	8.8	8.6	2.9	2.7	5.1	4.7	5.2	5.4
1977	1.6	1.5	5.6	5.6	3.9	4.0	7.9	8.0	1.3	1.4	6.1	6.4	6.1	6.4
1978	1.1	1.3	6.2	6.5	5.0	5.1	8.8	8.9	1.8	1.9	7.6	7.6	7.2	6.8
1979 .....	.0	-4	3.3	3.2	3.4	3.6	9.7	9.5	.3	.1	9.8	10.0	8.5	8.5
1980	-3	-3	-1.1	-1.1	-9	-8	10.8	10.8	-3	-3	11.1	11.1	9.1	9.7
1981	1.9	1.2	2.7	2.0	.7	.8	9.5	9.7	.1	.3	7.4	8.3	9.2	9.5
1982	-4	-6	-2.9	-3.1	-2.6	-2.5	7.5	7.5	1.5	1.5	8.0	8.1	5.7	6.2
1983	3.6	4.5	5.4	6.4	1.6	1.8	4.2	4.3	.1	.2	.6	-2	3.4	3.2
1984	2.8	2.2	8.8	8.3	5.8	6.0	4.4	4.3	.3	.2	1.5	2.1	2.9	2.8
1985	2.0	1.3	4.2	3.9	2.2	2.5	4.9	4.7	1.5	1.3	2.9	3.3	2.7	3.2
1986	3.0	3.0	3.7	3.8	.7	.8	5.2	5.2	3.3	3.3	2.1	2.1	1.6	1.7
1987 .....	.5	.4	3.5	3.5	3.0	3.2	3.9	3.8	.5	.4	3.4	3.4	2.5	2.5
1988	1.2	1.3	4.3	4.5	3.0	3.2	4.7	4.5	1.1	.9	3.5	3.2	3.1	3.0
1989	1.0	.8	3.5	3.4	2.5	2.6	2.8	2.7	-1.5	-1.6	1.8	1.9	3.7	3.7
1990	1.3	1.1	1.5	1.4	.2	.3	5.7	5.5	.6	.4	4.3	4.3	3.5	3.6
1991	1.1	1.2	-1.2	-1.3	-2.3	-2.4	4.7	4.9	1.0	1.2	3.6	3.6	3.5	3.7
1992	3.9	3.7	3.7	3.5	-2	-2	5.3	5.3	2.6	2.6	1.4	1.6	2.0	2.1
1993 .....	.5	.5	3.1	3.3	2.6	2.9	2.5	2.2	-1	-4	1.9	1.7	2.2	2.2
1994	1.3	1.3	4.9	4.7	3.5	3.3	2.0	2.1	-2	-1	.7	.8	1.8	1.9
1995 .....	.7	.9	3.1	3.4	2.4	2.4	2.1	2.1	-4	-4	1.4	1.2	2.0	2.0
1996	2.8	2.5	4.4	4.3	1.6	1.7	3.2	3.0	.4	.3	.4	.5	1.6	1.4
1997	2.1	1.8	5.2	5.1	3.1	3.2	2.9	2.8	.7	.6	.8	.9	1.8	2.1
1998	2.7	2.6	5.0	5.1	2.3	2.4	5.3	5.1	3.9	3.7	2.5	2.4	.8	.9
1999	3.1	2.9	4.8	4.8	1.6	1.8	5.0	4.8	2.9	2.7	1.8	1.8	1.1	1.3
1995:I	-1.3	-8	1.4	1.8	2.7	2.6	1.7	1.7	-7	-8	3.1	2.5	2.7	2.7
1995:II	1.3	1.3	.8	1.0	-5	-3	3.3	3.2	.0	-1	1.9	1.8	1.6	1.6
1995:III .....	.6	.9	3.7	4.1	3.2	3.2	2.6	2.7	.5	.6	2.0	1.8	1.5	1.1
1995:IV	3.6	3.1	4.1	3.8	.4	.8	3.4	3.1	1.1	.9	-2	.1	1.2	.7
1996:I	4.1	4.0	4.1	3.9	.0	-1	2.4	2.5	-6	-5	-1.7	-1.4	1.7	1.6
1996:II	4.3	3.8	7.6	7.4	3.1	3.5	4.1	3.8	.6	.3	-2	.0	1.9	1.6
1996:III .....	.0	-1	2.4	2.5	2.5	2.6	3.6	3.2	1.5	1.1	3.6	3.3	1.6	1.4
1996:IV	1.6	1.4	5.5	5.6	3.9	4.1	3.0	3.0	.1	.1	1.4	1.6	1.5	2.1
1997:I	1.2	.7	5.2	4.8	4.0	4.1	1.9	2.0	-6	-5	.7	1.3	2.6	3.1
1997:II	4.0	3.9	7.1	7.1	3.0	3.0	1.1	1.1	.0	.1	-2.8	-2.7	1.9	2.2
1997:III	3.6	3.2	4.9	4.6	1.3	1.4	4.2	3.8	2.5	2.1	.7	.6	1.0	1.3
1997:IV .....	.8	.6	3.2	3.4	2.4	2.8	6.5	6.1	4.4	4.1	5.7	5.5	1.1	1.1
1998:I	4.7	4.5	7.9	8.2	3.1	3.5	6.2	6.1	5.5	5.3	1.5	1.5	.3	.4
1998:II	1.1	1.6	2.9	3.1	1.7	1.5	5.1	5.3	3.5	3.8	3.9	3.6	.7	.7
1998:III	2.1	1.8	3.7	3.7	1.5	1.8	5.1	5.2	3.6	3.7	3.0	3.3	1.1	1.3
1998:IV	3.9	3.6	6.8	6.8	2.8	3.1	4.8	4.5	3.2	2.8	.9	.8	.6	.6
1999:I	3.3	2.6	3.8	3.6	.5	1.0	5.2	4.5	3.6	2.8	1.9	1.8	1.9	2.2
1999:II .....	.9	.6	2.6	2.4	1.7	1.8	5.0	5.0	1.7	1.7	4.1	4.3	1.2	1.5
1999:III	4.9	5.2	6.6	7.0	1.7	1.7	5.3	5.5	2.6	2.8	.4	.3	.5	.6
1999:IV	7.7	8.0	9.9	10.0	2.1	1.8	3.8	4.2	.9	1.3	-3.6	-3.5	1.0	1.0
2000:I	1.6	1.9	5.3	5.2	3.7	3.2	3.5	3.9	-6	-2	1.9	1.9	3.0	3.2
2000:II	6.9	6.1	6.3	6.5	-6	.4	7.0	5.9	3.2	2.2	.0	-2	2.4	2.0
2000:III	2.8	3.3	2.6	2.5	-2	-8	5.7	6.3	2.6	3.1	2.8	2.9	1.7	1.9

¹ Output refers to real gross domestic product in the sector.² Hours at work of all persons engaged in the sector. See footnote 2, Table B-49.³ Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Also includes an estimate of wages, salaries, and supplemental payments for the self-employed.⁴ Hourly compensation divided by the consumer price index. See footnote 4, Table B-49.⁵ Current dollar output divided by the output index.

Note.—Percent changes are based on original data and may differ slightly from percent changes based on indexes in Table B-49.

Source: Department of Labor, Bureau of Labor Statistics.

PRODUCTION AND BUSINESS ACTIVITY

TABLE B-51.—*Industrial production indexes, major industry divisions, 1950–2000*
[1992=100; monthly data seasonally adjusted]

Year or month	Total industrial production	Manufacturing			Mining	Utilities
		Total	Durable	Nondurable		
1950	24.7	23.5	22.7	24.2	58.7	14.5
1951	26.8	25.4	25.6	25.0	64.4	16.5
1952	27.8	26.4	27.2	25.4	63.9	17.9
1953	30.2	28.8	30.7	26.5	65.6	19.4
1954	28.6	26.9	27.1	26.7	64.3	20.9
1955	32.2	30.3	31.0	29.6	71.7	23.3
1956	33.6	31.6	32.0	31.1	75.4	25.6
1957	34.1	31.9	32.2	31.6	75.5	27.3
1958	31.9	29.7	28.2	31.9	69.3	28.6
1959	35.7	33.5	32.4	35.1	72.5	31.5
1960	36.5	34.1	32.9	35.9	73.9	33.7
1961	36.7	34.2	32.3	37.0	74.4	35.6
1962	39.8	37.3	35.9	39.3	76.5	38.2
1963	42.1	39.5	38.3	41.4	79.5	40.9
1964	45.0	42.2	41.0	44.1	82.7	44.4
1965	49.5	46.8	46.6	47.1	85.8	47.1
1966	53.8	51.0	51.8	50.0	90.4	50.7
1967	55.0	52.0	52.3	51.6	92.1	53.3
1968	58.1	54.9	54.9	54.9	95.6	57.6
1969	60.7	57.4	57.1	57.8	99.5	62.7
1970	58.7	54.8	52.7	57.8	102.0	66.5
1971	59.5	55.6	52.5	60.2	99.5	69.7
1972	65.3	61.5	58.6	65.5	101.5	74.2
1973	70.6	66.9	65.4	68.8	102.5	77.1
1974	69.6	65.9	64.1	68.3	101.9	76.1
1975	63.4	59.3	56.1	64.0	99.7	76.9
1976	69.3	65.4	61.9	70.5	100.5	79.9
1977	74.9	71.2	68.1	75.7	103.4	82.0
1978	79.3	75.8	73.6	78.9	106.5	84.4
1979	82.0	78.5	77.4	79.9	108.3	86.8
1980	79.7	75.5	73.4	78.3	111.5	87.3
1981	81.0	76.7	74.6	79.5	115.6	85.0
1982	76.7	72.1	68.2	77.7	111.2	82.3
1983	79.5	76.3	72.2	81.9	106.6	83.7
1984	86.6	83.8	82.7	85.3	113.9	86.7
1985	88.0	85.7	85.6	86.0	111.0	88.8
1986	89.0	88.1	87.4	89.1	102.6	86.4
1987	93.2	92.8	92.0	93.8	102.1	89.4
1988	97.4	97.1	98.1	96.0	104.7	93.9
1989	99.1	99.0	100.5	97.3	103.2	97.1
1990	98.9	98.5	99.0	97.9	104.8	98.3
1991	97.0	96.2	95.5	97.0	102.6	100.4
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	103.5	103.7	105.7	101.6	100.0	104.0
1994	109.1	109.9	114.6	104.8	102.3	105.4
1995	114.3	115.7	124.2	106.6	102.0	109.1
1996	119.6	121.4	134.7	107.4	103.5	112.7
1997	127.7	130.8	148.8	112.3	105.3	112.8
1998	134.0	138.2	162.3	114.4	103.0	114.1
1999	139.6	144.8	175.6	115.4	98.0	117.1
1999: Jan	135.9	140.5	168.8	113.5	98.1	116.2
Feb	136.3	141.2	169.7	114.1	97.7	113.8
Mar	137.3	141.9	171.3	114.1	97.7	118.5
Apr	137.4	142.2	172.4	113.7	97.0	117.8
May	138.4	143.4	173.5	114.9	97.5	116.5
June	138.6	143.6	174.6	114.4	97.2	117.2
July	139.7	144.5	177.1	114.1	97.8	120.4
Aug	140.3	145.3	178.1	114.7	98.0	118.8
Sept	140.4	145.6	178.3	115.0	98.0	117.7
Oct	141.5	146.8	180.2	115.7	98.7	117.3
Nov	141.9	147.5	181.0	116.3	99.4	113.5
Dec	142.8	148.4	182.6	116.5	98.7	117.4
2000: Jan	143.6	149.2	185.1	116.0	98.6	117.8
Feb	144.3	149.9	186.3	116.3	99.1	119.5
Mar	145.2	151.3	188.9	116.6	100.4	114.7
Apr	146.3	152.2	191.0	116.7	99.9	118.7
May	147.2	153.1	193.0	116.7	99.6	121.6
June	147.9	153.8	194.6	116.7	100.4	121.7
July	147.6	153.7	194.7	116.3	100.5	119.1
Aug	148.6	154.6	196.9	116.3	101.0	122.1
Sept ^p	149.1	155.2	198.3	116.2	100.3	123.4
Oct ^p	148.9	155.1	197.7	116.6	100.2	120.9
Nov ^p	148.6	154.4	196.9	115.9	100.3	125.3

Source: Board of Governors of the Federal Reserve System.

TABLE B-52.—*Industrial production indexes, market groupings, 1950–2000*
[1992=100; monthly data seasonally adjusted]

Year or month	Total industrial production	Final products								Intermediate products	Materials				
		Total	Consumer goods				Equipment				Total	Durable	Non-durable	Energy	
			Total	Auto-motive products	Other durable goods	Non-durable goods	Total ¹	Business	Defense and space						
1950	24.7	23.8	27.8	29.2	24.8	28.6	16.6	15.6	11.9	26.3	25.1	21.3	.....	.....
1951	26.8	25.7	27.5	25.8	21.4	29.6	23.1	19.1	29.3	27.6	27.8	24.3	.....	.....
1952	27.8	27.5	28.1	23.2	21.4	30.8	27.7	21.6	41.2	27.5	28.2	24.8	.....	.....
1953	30.2	29.4	29.8	29.3	24.2	31.7	30.1	22.5	49.4	29.4	31.3	28.9	.....	.....
1954	28.6	27.9	29.6	27.3	22.3	32.1	26.3	19.8	43.5	29.3	28.9	25.0	23.0	51.4	
1955	32.2	30.1	33.0	36.3	26.3	34.5	26.9	21.4	39.8	33.2	34.2	30.6	26.3	57.8	
1956	33.6	31.9	34.2	29.9	27.7	36.8	29.5	24.8	38.9	34.7	35.1	30.7	27.6	61.1	
1957	34.1	32.8	35.1	31.3	27.1	37.9	30.7	25.8	40.6	34.7	35.1	30.6	27.4	61.8	
1958	31.9	31.3	34.8	24.9	25.6	39.0	27.5	21.8	40.8	33.9	31.6	25.8	27.3	57.3	
1959	35.7	34.3	38.1	31.2	29.4	41.7	30.2	24.5	43.0	37.5	36.4	30.7	31.2	60.7	
1960	36.5	35.5	39.6	35.7	29.6	43.1	31.0	25.1	44.2	37.7	36.9	31.1	31.7	61.5	
1961	36.7	35.8	40.4	32.6	30.5	44.5	30.6	24.4	44.9	38.5	36.9	30.4	33.0	62.0	
1962	39.8	38.8	43.1	39.5	33.1	46.6	34.0	26.5	52.0	40.8	40.2	33.8	35.8	64.1	
1963	42.1	41.0	45.5	43.2	35.7	48.7	36.1	27.8	56.1	43.1	42.8	36.0	37.9	67.9	
1964	45.0	43.3	48.1	45.3	39.0	51.1	38.1	31.1	54.3	45.9	46.3	39.3	41.3	70.7	
1965	49.5	47.6	51.8	55.8	44.2	53.3	43.1	35.6	60.1	48.9	51.6	45.0	45.3	73.9	
1966	53.8	52.1	54.5	55.6	48.7	55.8	50.2	41.3	70.6	51.9	56.2	49.6	48.9	78.6	
1967	55.0	54.2	55.8	48.9	49.3	58.7	53.4	42.1	80.6	54.0	55.7	47.8	49.8	81.3	
1968	58.1	56.8	59.2	58.2	52.8	61.0	54.9	43.9	80.7	57.1	59.4	50.7	54.7	85.0	
1969	60.7	58.6	61.4	58.5	56.3	63.1	56.4	46.8	76.8	60.2	62.9	53.3	59.2	89.4	
1970	58.7	56.5	60.7	49.2	54.6	64.1	52.4	45.1	65.1	59.3	60.7	48.4	59.5	93.8	
1971	59.5	57.0	64.2	62.7	57.8	66.0	49.1	42.9	58.5	61.1	61.6	48.6	62.0	94.6	
1972	65.3	61.9	69.3	67.7	66.2	70.2	53.7	48.9	56.8	68.2	67.9	54.9	68.4	98.2	
1973	70.6	66.5	72.4	74.7	70.0	72.4	59.9	57.2	55.5	72.6	74.3	62.8	73.4	98.9	
1974	69.6	66.3	70.2	64.6	64.7	72.4	61.9	59.7	54.7	70.0	72.8	61.0	73.7	96.3	
1975	63.4	62.4	67.4	60.8	57.0	70.9	56.7	53.3	53.7	63.2	63.9	50.8	65.6	94.2	
1976	69.3	66.8	74.1	75.5	63.9	76.1	58.6	55.3	54.6	69.6	71.4	58.5	74.3	96.5	
1977	74.9	72.4	79.5	87.2	71.8	79.8	64.3	62.0	54.4	75.7	76.9	64.6	78.9	97.9	
1978	79.3	77.2	82.6	89.6	74.9	82.9	71.0	69.3	55.9	79.9	81.0	70.2	81.6	98.9	
1979	82.0	79.7	81.5	81.4	73.6	82.9	77.6	77.3	57.7	82.0	83.9	73.3	84.4	101.4	
1980	79.7	79.3	79.6	62.3	69.7	83.8	79.1	76.7	63.2	77.7	80.3	67.7	80.7	102.2	
1981	81.0	81.2	80.1	61.6	70.7	84.3	82.8	78.0	64.5	77.6	81.4	70.4	82.3	100.2	
1982	76.7	78.3	78.8	59.1	64.4	84.2	77.7	70.6	72.6	75.8	75.1	62.6	74.6	96.7	
1983	79.5	80.0	83.2	74.3	73.1	86.2	76.4	68.3	80.4	81.0	78.3	68.2	81.0	94.7	
1984	86.6	87.0	86.7	89.4	80.1	87.5	87.6	79.2	89.5	86.9	85.9	79.5	84.5	99.5	
1985	88.0	89.3	87.6	95.4	77.3	88.5	91.8	82.5	103.8	89.1	86.3	80.9	83.2	99.1	
1986	89.0	90.3	90.7	97.5	82.6	91.3	90.0	82.0	113.0	92.7	86.3	82.3	85.7	95.2	
1987	93.2	93.3	93.7	100.7	89.1	93.6	92.9	85.1	117.5	100.7	90.4	87.5	90.9	96.2	
1988	97.4	97.9	96.7	107.1	94.5	95.9	99.9	93.5	117.1	102.5	95.1	93.6	94.8	98.5	
1989	99.1	99.9	97.7	108.9	95.9	96.7	103.7	98.8	117.4	102.9	97.0	95.7	97.2	99.5	
1990	98.9	99.5	97.3	100.9	96.0	97.1	103.2	98.2	115.9	101.9	97.2	95.3	98.1	100.6	
1991	97.0	97.7	97.0	90.3	95.2	98.1	98.8	95.7	106.7	97.5	95.9	93.2	96.9	100.8	
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
1993	103.5	103.6	103.5	112.4	111.3	101.4	103.7	105.5	93.0	102.4	103.8	106.8	101.4	99.6	
1994	109.1	107.9	107.8	125.4	122.6	103.9	108.1	112.7	86.4	106.2	111.6	118.8	105.7	101.3	
1995	114.3	111.9	110.6	126.3	129.5	106.3	114.2	121.5	83.7	108.0	119.6	133.0	106.7	102.5	
1996	119.6	116.1	112.5	128.5	132.7	108.0	122.4	132.6	80.6	110.7	127.0	147.4	106.0	103.6	
1997	127.7	123.2	115.9	135.9	139.8	110.4	135.4	150.2	75.8	116.3	138.0	166.2	111.7	103.8	
1998	134.0	129.3	118.4	140.8	149.8	111.8	147.1	165.7	79.5	121.0	145.7	181.3	112.4	103.5	
1999	139.6	133.3	120.8	152.6	162.9	112.0	153.8	176.4	80.8	125.1	154.5	198.5	114.3	103.1	
1999: Jan	135.9	130.3	119.4	150.2	154.3	111.6	149.7	171.4	81.6	123.7	148.5	188.1	111.1	103.1	
1999: Feb	136.3	130.7	119.9	150.0	159.3	111.6	149.9	171.9	82.0	123.2	149.4	189.1	112.4	103.0	
1999: Mar	137.3	131.2	120.1	147.5	160.5	112.0	151.0	173.0	82.6	123.8	151.2	192.2	113.0	103.6	
1999: Apr	137.4	130.6	119.1	149.1	161.3	110.5	151.2	173.9	81.8	124.6	152.1	193.8	113.6	103.4	
1999: May	138.4	132.1	120.8	152.7	162.5	112.0	152.2	175.2	81.9	124.5	152.8	194.7	114.5	103.3	
1999: June	138.6	131.9	120.5	152.4	161.0	111.8	152.2	175.5	81.0	124.4	153.8	197.4	114.5	102.2	
1999: July	139.7	132.5	120.6	151.5	164.6	111.7	153.8	177.6	80.9	125.1	155.7	201.0	113.8	103.7	
1999: Aug	140.3	133.8	121.9	160.0	163.4	112.5	155.1	179.3	81.1	125.7	155.4	200.6	113.9	102.8	
1999: Sept	140.4	133.3	121.3	154.1	163.4	112.4	154.7	179.0	80.0	125.6	156.5	202.7	114.3	102.9	
1999: Oct	141.5	134.0	122.1	155.9	171.4	112.3	155.3	179.8	79.9	126.9	157.9	204.3	116.4	103.0	
1999: Nov	141.9	133.6	121.5	155.0	164.6	112.4	155.3	179.8	79.1	126.3	160.0	207.8	117.6	103.3	
1999: Dec	142.8	134.4	122.4	153.3	168.7	113.3	155.7	180.6	78.5	127.4	161.0	210.6	116.8	103.1	
2000: Jan	143.6	135.1	122.1	156.9	167.6	112.7	158.7	185.2	77.1	127.8	162.0	213.4	116.2	102.6	
2000: Feb	144.3	135.9	122.8	154.8	169.1	113.5	159.8	187.0	75.9	128.9	162.4	215.4	115.3	102.1	
2000: Mar	145.2	136.0	122.2	155.3	167.7	112.9	161.3	189.0	76.0	129.5	164.8	220.0	115.6	102.5	
2000: Apr	146.3	137.2	123.2	157.6	170.6	113.6	162.8	191.1	75.5	129.3	166.1	227.7	115.2	103.5	
2000: May	147.2	137.5	123.5	157.9	168.5	114.1	163.1	191.6	75.5	129.4	168.4	227.6	115.7	103.3	
2000: June	147.9	138.3	124.2	157.8	169.8	114.8	164.3	192.8	76.3	129.0	169.4	230.3	115.2	103.1	
2000: July	147.6	138.1	122.9	149.4	166.7	114.5	166.3	195.0	77.9	128.7	169.0	230.5	113.9	102.9	
2000: Aug	148.6	139.2	123.8	153.8	165.2	115.2	167.9	197.8	76.1	128.8	170.5	233.8	112.8	104.2	
2000: Sept ^p	149.1	139.4	124.1	156.2	167.3	115.2	167.9	198.9	73.7	129.1	171.5	235.9	112.8	104.4	
2000: Oct ^p	148.9	138.8	123.0	147.8	165.2	114.9	168.4	199.2	75.2	129.2	171.7	235.9	113.8	103.9	
2000: Nov ^p	148.6	139.0	123.2	146.0	164.7	115.3	168.7	199.1	77.0	128.3	170.8	233.9	112.8	104.9	

¹ Two components—oil and gas well drilling and manufactured homes—are included in total equipment, but not in detail shown.

Source: Board of Governors of the Federal Reserve System.

TABLE B-53.—*Industrial production indexes, selected manufactures, 1950–2000*
[1992=100; monthly data seasonally adjusted]

Year or month	Durable manufactures							Nondurable manufactures					
	Primary metals		Fabricated metal products	Industrial machinery and equipment	Electrical machinery	Transportation equipment		Lumber and products	Apparel products	Textile mill products	Printing and publishing	Chemicals and products	Foods
	Total	Iron and steel				Total	Motor vehicles and parts						
1950	75.5	106.9	43.0	14.5	7.4	24.9	38.0	45.3	52.5	38.3	25.7	10.1	32.2
1951	82.1	119.5	45.9	18.4	7.4	27.8	34.8	45.2	51.5	38.0	26.2	11.4	32.8
1952	75.0	105.2	44.8	20.0	8.5	32.3	29.8	44.6	54.2	37.6	26.1	11.9	33.5
1953	85.0	121.3	50.6	20.9	9.7	40.6	37.6	47.1	54.9	38.6	27.3	12.9	34.2
1954	68.8	94.3	45.5	17.8	8.6	35.3	32.4	46.8	54.2	36.1	28.4	13.1	34.9
1955	89.4	125.3	52.0	19.5	9.9	40.6	43.4	52.3	59.9	41.2	31.3	15.3	36.9
1956	88.8	123.0	52.7	22.4	10.7	39.4	35.2	51.7	61.3	42.3	33.2	16.4	39.0
1957	85.0	118.5	54.1	22.3	10.6	42.2	36.9	47.4	61.1	40.3	34.4	17.3	39.6
1958	67.4	89.3	48.5	18.8	9.7	33.3	27.3	48.2	59.4	39.8	33.6	17.9	40.6
1959	78.8	102.8	54.4	21.9	11.8	37.7	35.4	54.6	65.4	45.0	35.9	20.8	42.6
1960	78.5	104.5	54.5	22.0	12.8	39.0	40.0	51.5	66.7	44.1	37.3	21.6	43.8
1961	77.0	99.8	53.1	21.4	13.6	36.7	35.1	53.9	67.1	45.4	37.5	22.7	45.0
1962	82.6	104.0	57.7	24.0	15.7	42.4	42.7	56.8	69.9	48.5	38.9	25.2	46.4
1963	89.1	113.3	59.6	25.6	16.1	46.5	47.3	59.5	72.7	50.3	40.9	27.6	48.1
1964	100.5	128.9	63.3	29.2	17.0	47.7	48.5	63.9	75.3	54.3	43.4	30.2	50.3
1965	110.6	141.4	69.6	32.8	20.3	56.7	62.0	66.4	79.5	59.1	46.2	33.7	51.5
1966	117.4	145.7	74.5	38.1	24.4	60.8	60.9	68.9	81.6	62.7	49.7	36.7	53.4
1967	108.5	134.6	77.9	38.9	24.5	59.5	53.6	68.2	81.2	62.7	52.4	38.4	55.8
1968	112.4	139.0	82.1	39.2	25.8	64.6	64.2	70.2	83.2	70.0	53.3	43.2	57.3
1969	120.9	151.4	83.5	42.4	27.5	64.1	64.5	70.1	85.9	73.6	55.9	46.7	59.2
1970	112.5	140.9	77.4	41.1	26.3	53.8	51.9	69.7	82.5	72.0	54.3	48.6	60.1
1971	106.7	128.9	77.0	38.2	26.4	58.2	65.0	71.5	83.5	76.0	54.8	51.7	62.0
1972	119.5	143.3	84.5	44.3	30.2	62.2	71.0	81.9	88.6	83.3	58.5	58.2	65.3
1973	135.6	163.1	93.9	51.8	34.4	70.8	82.7	82.2	89.3	86.7	60.0	63.6	66.6
1974	131.4	158.0	90.1	55.1	34.1	64.4	71.4	74.6	85.3	78.9	59.1	65.9	67.5
1975	104.7	127.0	78.1	47.7	29.3	57.9	60.5	69.5	77.9	75.2	55.3	60.1	67.1
1976	117.1	139.9	86.5	50.1	32.9	65.9	79.7	79.0	91.8	83.5	60.4	67.2	70.9
1977	119.0	138.0	94.7	56.6	38.1	71.9	92.4	86.1	98.0	88.3	66.3	72.4	74.6
1978	128.0	147.5	98.2	63.3	42.2	77.5	96.8	87.5	100.4	88.6	70.1	76.4	77.2
1979	130.0	148.4	101.6	70.2	46.9	78.7	89.0	86.3	95.3	91.5	72.0	79.2	77.9
1980	108.0	119.0	94.4	70.5	48.6	70.3	65.8	80.4	95.4	89.0	72.4	75.9	79.7
1981	113.9	126.6	93.0	74.7	51.0	66.9	62.8	78.1	97.3	86.3	74.3	77.3	81.4
1982	80.5	80.5	84.9	65.8	51.7	63.0	56.9	70.3	96.3	80.1	77.5	71.0	82.4
1983	88.2	90.0	87.2	65.2	55.9	70.5	72.1	83.3	100.3	89.9	81.4	76.0	84.6
1984	98.7	98.9	95.2	78.9	66.7	80.5	87.3	89.8	102.2	90.4	87.0	79.3	86.4
1985	98.4	98.8	96.5	81.2	68.4	88.8	95.0	92.0	98.6	86.5	90.2	79.4	88.9
1986	91.2	86.8	95.6	81.8	71.0	94.1	94.2	99.6	101.8	90.5	93.4	82.4	91.2
1987	97.8	95.4	101.9	86.0	75.6	96.1	94.9	104.9	105.5	96.3	102.5	87.0	93.5
1988	106.2	107.6	106.1	97.1	82.5	101.1	100.2	105.1	103.5	95.0	103.4	92.2	94.9
1989	104.9	106.2	104.8	103.0	85.8	105.1	101.2	104.3	100.3	96.5	103.5	95.1	95.9
1990	104.0	106.4	101.2	100.1	87.7	102.3	95.3	101.6	97.2	93.2	103.1	97.3	97.0
1991	96.7	96.0	96.2	95.4	89.6	96.5	88.5	94.5	97.8	92.7	99.1	96.4	98.4
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	105.1	105.9	104.4	110.2	109.8	104.4	114.9	100.8	102.4	105.2	100.5	101.1	102.0
1994	113.7	114.3	112.2	125.4	131.4	108.4	132.9	105.9	106.4	110.6	100.6	103.9	103.6
1995	116.2	116.5	116.4	144.0	165.9	108.0	136.3	107.9	107.0	110.1	101.2	106.1	105.7
1996	119.6	118.9	120.1	160.2	206.6	109.6	136.3	110.5	104.3	108.6	101.8	108.4	105.3
1997	125.4	123.8	126.1	177.1	264.3	119.0	147.0	114.1	104.8	108.9	107.6	116.8	107.0
1998	127.8	124.6	130.3	195.2	321.0	128.8	152.4	118.7	100.4	107.6	107.4	121.4	110.8
1999	130.4	126.7	131.9	219.0	399.4	131.4	165.8	122.4	94.8	104.0	106.8	126.1	112.5
1999-Jan	126.1	121.2	131.0	205.9	357.3	130.4	158.6	122.7	96.4	103.1	105.4	119.1	112.7
1999-Feb	124.0	118.9	130.3	209.4	363.7	131.4	161.4	122.9	95.9	106.0	104.5	121.1	112.1
1999-Mar	127.1	120.5	131.8	212.2	370.9	130.7	161.6	122.3	95.7	104.7	105.1	121.6	111.9
1999-Apr	127.5	123.3	131.3	214.5	382.5	130.2	161.8	122.0	96.4	105.7	106.6	121.7	112.1
1999-May	127.4	123.0	130.5	215.2	388.4	130.8	163.8	124.2	95.6	108.0	105.4	123.3	112.5
1999-June	130.3	126.5	131.3	218.0	392.8	130.9	165.1	123.1	94.7	104.9	106.2	122.5	112.7
1999-July	131.1	128.5	132.0	221.0	409.1	131.9	167.1	122.5	94.6	103.6	106.2	121.1	111.8
1999-Aug	133.5	130.0	132.3	221.2	412.9	132.7	168.7	121.8	93.8	102.4	107.4	123.0	112.1
1999-Sept	132.5	129.5	132.2	224.3	412.1	132.2	169.7	121.3	92.8	101.3	108.0	123.3	112.9
1999-Oct	133.8	129.2	132.8	225.8	426.3	132.4	171.1	121.9	93.5	103.5	109.7	124.2	112.9
1999-Nov	135.0	133.9	133.6	228.3	431.7	132.0	171.1	121.7	94.0	101.7	108.8	127.3	113.2
1999-Dec	136.6	135.4	133.3	232.8	445.5	130.7	169.4	122.8	94.0	103.4	108.6	127.0	113.0
2000-Jan	136.3	134.8	134.9	238.7	460.2	132.0	172.7	122.9	93.4	103.6	108.9	124.8	113.3
2000-Feb	134.7	133.5	135.8	242.1	474.8	130.7	170.3	122.3	94.3	103.8	108.9	124.9	114.1
2000-Mar	137.1	136.9	135.6	245.8	495.2	131.9	172.5	121.9	94.1	104.4	109.7	124.9	114.9
2000-Apr	137.8	136.8	135.9	247.2	516.5	132.1	174.1	121.6	94.6	104.4	109.1	125.2	114.7
2000-May	136.7	135.9	136.2	249.9	533.8	133.6	177.6	120.5	93.0	102.6	109.9	126.3	114.2
2000-June	136.4	135.5	135.7	250.9	555.0	133.5	176.1	118.7	91.2	103.1	109.1	125.9	114.9
2000-July	133.9	129.9	136.1	253.9	571.2	128.0	163.1	118.6	92.0	101.4	110.0	124.8	115.0
2000-Aug	132.4	129.7	136.3	257.9	580.0	132.4	173.9	115.5	90.7	99.4	110.4	125.9	115.1
2000-Sept ^p	134.0	132.3	136.0	259.9	591.9	132.2	175.2	117.0	89.7	99.4	110.8	126.4	114.6
2000-Oct ^p	130.8	128.0	135.7	263.2	595.5	130.0	168.9	115.7	89.0	98.9	111.3	126.7	114.9
2000-Nov ^p	128.1	122.4	134.6	262.2	600.9	128.8	164.1	114.1	88.4	97.3	110.1	126.8	114.6

Source: Board of Governors of the Federal Reserve System.

TABLE B-54.—*Capacity utilization rates, 1950–2000*[Percent;¹ monthly data seasonally adjusted]

Year or month	Total industry	Manufacturing					Mining	Utilities
		Total	Durable goods	Non-durable goods	Primary processing	Advanced processing		
1950 .....	.....	82.8	.....	.....	88.5	79.8	.....	.....
1951 .....	.....	85.8	.....	.....	90.2	83.4	.....	.....
1952 .....	.....	85.4	.....	.....	84.9	85.9	.....	.....
1953 .....	.....	89.3	.....	.....	89.4	89.3	.....	.....
1954 .....	.....	80.1	.....	.....	80.6	80.0	.....	.....
1955 .....	.....	87.0	.....	.....	92.0	84.2	.....	.....
1956 .....	.....	86.1	.....	.....	89.4	84.4	.....	.....
1957 .....	.....	83.6	.....	.....	84.7	83.1	.....	.....
1958 .....	.....	75.0	.....	.....	75.4	74.9	.....	.....
1959 .....	.....	81.6	.....	.....	83.0	81.1	.....	.....
1960 .....	.....	80.1	.....	.....	79.8	80.5	.....	.....
1961 .....	.....	77.3	.....	.....	77.9	77.2	.....	.....
1962 .....	.....	81.4	.....	.....	81.5	81.6	.....	.....
1963 .....	.....	83.5	.....	.....	83.8	83.4	.....	.....
1964 .....	.....	85.6	.....	.....	87.8	84.6	.....	.....
1965 .....	.....	89.5	.....	.....	91.0	88.8	.....	.....
1966 .....	.....	91.1	.....	.....	91.4	91.1	.....	.....
1967	87.0	87.2	87.5	86.3	85.0	88.2	81.2	94.5
1968	87.3	87.1	87.2	86.6	86.4	87.4	83.5	95.1
1969	87.3	86.6	86.7	86.5	86.9	86.4	86.5	96.7
1970	81.1	79.4	77.2	82.8	79.6	79.5	88.8	96.2
1971	79.4	77.9	74.7	82.6	79.1	77.4	87.3	94.6
1972	84.4	83.4	81.4	86.4	85.4	82.0	90.3	95.2
1973	88.4	87.7	88.0	87.3	91.1	85.6	92.3	93.5
1974	84.3	83.4	83.1	83.9	84.9	82.5	92.3	87.3
1975	74.6	72.9	70.6	76.3	71.1	74.0	89.7	84.4
1976	79.3	78.2	75.7	81.8	79.2	77.5	89.8	85.2
1977	83.5	82.6	80.8	85.3	84.1	81.6	90.9	85.0
1978	85.8	85.2	84.4	86.4	86.4	84.4	90.9	85.4
1979	86.0	85.3	85.6	84.9	86.2	84.7	91.4	86.6
1980	81.5	79.5	78.4	81.0	76.9	81.3	93.4	85.9
1981	80.8	78.3	76.8	80.4	76.3	79.6	93.9	82.5
1982	74.5	71.8	68.0	77.5	68.4	74.0	86.3	79.3
1983	75.7	74.4	70.1	80.8	74.1	74.7	80.4	79.7
1984	80.8	79.8	77.6	82.9	80.7	79.3	86.0	81.9
1985	79.8	78.8	76.8	81.5	79.4	78.4	84.3	83.5
1986	78.7	78.7	75.7	82.8	79.5	78.2	77.6	80.6
1987	81.3	81.3	77.9	85.9	83.7	79.9	80.3	82.5
1988	84.0	83.8	81.7	86.4	86.2	82.4	85.2	84.9
1989	84.1	83.6	82.0	85.7	85.3	82.7	86.9	86.3
1990	82.3	81.4	79.0	84.4	82.9	80.6	89.8	85.7
1991	79.3	77.9	74.7	81.9	78.6	77.6	88.4	86.3
1992	80.2	79.4	76.6	82.8	81.7	78.2	86.3	84.6
1993	81.3	80.4	78.9	82.3	83.5	78.7	86.1	87.0
1994	83.1	82.5	81.6	83.5	86.7	80.1	87.9	87.5
1995	83.3	82.5	81.8	83.4	86.1	80.4	87.8	88.9
1996	82.6	81.6	81.1	82.3	83.9	80.2	89.2	90.8
1997	83.5	82.7	82.1	83.6	85.2	81.4	89.3	90.0
1998	82.1	81.3	81.4	81.4	82.4	81.1	86.6	90.2
1999	81.2	80.5	80.8	80.3	83.0	79.4	83.5	90.9
1999: Jan	81.0	80.2	80.6	79.9	81.4	79.9	83.0	91.2
Feb	80.9	80.2	80.4	80.2	81.5	79.9	82.8	89.1
Mar	81.1	80.3	80.6	80.1	82.1	79.7	83.0	92.7
Apr	80.9	80.1	80.6	79.8	82.3	79.3	82.5	92.0
May	81.2	80.4	80.6	80.5	82.6	79.6	83.0	90.8
June	81.0	80.2	80.5	80.1	82.6	79.3	82.9	91.2
July	81.3	80.4	81.2	79.8	83.3	79.2	83.5	93.5
Aug	81.4	80.6	81.1	80.2	83.0	79.7	83.7	92.0
Sept	81.2	80.4	80.7	80.3	83.4	79.1	83.8	90.9
Oct	81.5	80.8	81.0	80.8	84.1	79.4	84.4	90.4
Nov	81.5	80.9	80.9	81.1	84.7	79.1	85.1	87.2
Dec	81.7	81.0	81.0	81.2	85.1	79.2	84.5	90.0
2000: Jan	81.9	81.2	81.6	80.8	85.1	79.4	84.5	90.0
Feb	82.0	81.2	81.5	80.9	85.2	79.4	84.9	91.1
Mar	82.2	81.6	82.1	81.1	85.9	79.6	86.1	87.2
Apr	82.5	81.8	82.4	81.0	86.2	79.8	85.7	90.0
May	82.7	81.9	82.7	80.9	86.4	79.9	85.4	91.9
June	82.7	82.0	82.8	80.9	86.5	79.9	86.2	91.7
July	82.3	81.6	82.3	80.6	85.6	79.8	86.3	89.5
Aug	82.6	81.7	82.6	80.5	85.4	80.2	86.9	91.5
Sept ^p	82.5	81.7	82.6	80.4	85.2	80.2	86.3	92.2
Oct ^p	82.1	81.4	81.8	80.6	84.8	79.9	86.3	90.2
Nov ^p	81.6	80.6	80.8	80.1	83.3	79.7	86.5	93.2

¹ Output as percent of capacity.

Source: Board of Governors of the Federal Reserve System.

TABLE B-55.—*New construction activity, 1959–2000*
[Value put in place, billions of dollars; monthly data at seasonally adjusted annual rates]

Year or month	Total new construction	Private construction							Public construction		
		Total	Residential buildings ¹		Nonresidential buildings and other construction ¹				Total	Federal	State and local ⁵
			Total ²	New housing units	Total	Com-mer-cial ³	Indus-trial	Other ⁴			
1959	55.4	39.3	24.3	19.2	15.1	3.9	2.1	9.0	16.1	3.7	12.3
1960	54.7	38.9	23.0	17.3	15.9	4.2	2.9	8.9	15.9	3.6	12.2
1961	56.4	39.3	23.1	17.1	16.2	4.7	2.8	8.7	17.1	3.9	13.3
1962	60.2	42.3	25.2	19.4	17.2	5.1	2.8	9.2	17.9	3.9	14.0
1963	64.8	45.5	27.9	21.7	17.6	5.0	2.9	9.7	19.4	4.0	15.4
New series											
1964	75.1	54.9	30.5	24.1	24.4	7.9	5.0	11.5	20.2	3.7	16.5
1965	81.9	60.0	30.2	23.8	29.7	9.4	7.2	13.1	21.9	3.9	18.0
1966	85.8	61.9	28.6	21.8	33.3	9.4	9.3	14.6	23.8	3.8	20.0
1967	87.2	61.8	28.7	21.5	33.1	9.3	8.4	15.4	25.4	3.3	22.1
1968	96.8	69.4	34.2	26.7	35.2	10.4	8.5	16.3	27.4	3.2	24.2
1969	104.9	77.2	37.2	29.2	39.9	12.5	9.6	17.8	27.8	3.2	24.6
1970	105.9	78.0	35.9	27.1	42.1	13.0	9.3	19.8	27.9	3.1	24.8
1971	122.4	92.7	48.5	38.7	44.2	15.3	7.8	21.1	29.7	3.8	25.9
1972	139.1	109.1	60.7	50.1	48.4	18.8	6.7	22.9	30.0	4.2	25.8
1973	153.8	121.4	65.1	54.6	56.3	21.7	9.0	25.6	32.3	4.7	27.6
1974	155.2	117.0	56.0	43.4	61.1	21.7	11.5	27.9	38.1	5.1	33.0
1975	152.6	109.3	51.6	36.3	57.8	17.2	11.7	28.9	43.3	6.1	37.2
1976	172.1	128.2	68.3	50.8	59.9	17.0	10.5	32.4	44.0	6.8	37.2
1977	200.5	157.4	92.0	72.2	65.4	19.7	11.3	34.5	43.1	7.1	36.0
1978	239.9	189.7	109.8	85.6	79.9	24.7	16.2	39.0	50.1	8.1	42.0
1979	272.9	216.2	116.4	89.3	99.8	34.0	22.0	43.7	56.6	8.6	48.1
1980	273.9	210.3	100.4	69.6	109.9	41.7	20.5	47.7	63.6	9.6	54.0
1981	289.1	224.4	99.2	69.4	125.1	48.7	25.4	51.0	64.7	10.4	54.3
1982	279.3	216.3	84.7	57.0	131.6	53.9	26.1	51.6	63.1	10.0	53.1
1983	311.9	248.4	125.8	95.0	122.6	53.4	19.5	49.8	63.5	10.6	52.9
1984	370.2	300.0	155.0	114.6	144.9	71.6	20.9	52.4	70.2	11.2	59.0
1985	403.4	325.6	160.5	115.9	165.1	88.1	24.1	52.9	77.8	12.0	65.8
1986	433.5	348.9	190.7	135.2	158.2	84.0	21.0	53.2	84.6	12.4	72.2
1987	446.6	356.0	199.7	142.7	156.3	83.2	21.2	52.0	90.6	14.1	76.6
1988	462.0	367.3	204.5	142.4	162.8	86.4	23.2	53.2	94.7	12.3	82.5
1989	477.5	379.3	204.3	143.2	175.1	89.2	28.8	57.1	98.2	12.2	86.0
1990	476.8	369.3	191.1	132.1	178.2	85.8	33.6	58.8	107.5	12.1	95.4
1991	432.6	322.5	166.3	114.6	156.2	62.2	31.4	62.6	110.1	12.8	97.3
1992	463.7	347.8	199.4	135.1	148.4	53.2	29.0	66.2	115.8	14.4	101.5
1993	493.3	377.3	225.1	150.9	152.2	57.9	26.5	67.8	116.0	14.4	101.5
1994	539.2	419.0	258.6	176.4	160.5	64.4	29.0	67.1	120.2	14.4	105.8
1995	555.6	425.7	247.4	171.4	178.3	75.4	34.0	68.9	129.9	15.8	114.2
1996	613.5	474.3	281.1	191.1	193.2	87.0	36.2	70.0	139.3	15.3	123.9
1997	656.6	501.7	289.0	198.1	212.7	99.0	36.7	77.0	154.9	14.1	140.8
1998	711.8	552.2	314.6	224.0	237.6	110.6	40.5	86.5	159.5	14.3	145.2
1999	764.2	591.6	348.8	249.5	242.7	119.7	34.9	88.2	172.7	14.1	158.6
1999: Jan	760.2	591.3	340.1	243.0	251.1	119.1	38.6	93.5	168.9	13.7	155.2
Feb	776.3	597.2	341.7	245.3	255.4	122.2	37.5	95.8	179.1	15.8	163.3
Mar	778.0	602.5	346.8	248.8	255.7	121.5	38.0	96.1	175.5	14.0	161.5
Apr	766.5	591.5	347.7	249.0	243.8	118.9	35.7	89.2	175.0	14.5	160.5
May	758.9	590.0	349.6	249.5	240.4	119.6	35.3	85.5	168.9	12.7	156.2
June	755.6	587.5	350.5	249.5	237.0	117.8	35.0	84.2	168.1	14.0	154.2
July	759.8	590.4	348.7	248.7	241.7	118.3	36.3	87.1	169.4	14.0	155.3
Aug	755.3	584.0	348.1	248.4	235.9	116.8	34.3	84.8	171.2	13.8	157.5
Sept	753.1	582.5	347.6	248.8	234.8	118.3	32.7	83.9	170.6	12.9	157.7
Oct	756.9	584.9	350.0	249.6	234.9	118.6	31.4	84.9	172.0	14.8	157.2
Nov	776.5	596.9	353.9	253.8	243.1	123.0	32.2	87.8	179.5	14.8	164.7
Dec	791.7	605.8	358.2	259.8	247.6	123.0	33.3	91.3	185.9	14.4	171.5
2000: Jan	806.1	614.6	365.1	265.4	249.4	125.2	33.9	90.3	191.5	13.2	178.3
Feb	816.0	629.6	368.7	268.7	260.8	131.4	38.5	90.9	186.4	14.7	171.7
Mar	829.5	637.7	372.1	270.7	265.6	133.2	39.0	93.4	191.8	14.9	176.9
Apr	816.2	629.5	368.9	268.1	260.5	131.8	38.7	90.0	186.7	13.5	173.1
May	811.8	629.8	367.7	266.0	262.2	130.2	39.8	92.1	182.0	13.2	168.8
June	798.9	624.4	363.8	261.5	260.6	129.1	40.0	91.6	174.5	14.1	160.4
July	786.4	612.0	347.5	255.1	264.5	128.4	42.2	94.0	174.4	12.3	162.0
Aug	802.7	618.0	350.5	253.5	267.5	131.4	41.6	94.6	184.7	14.5	170.2
Sept	818.0	630.5	353.0	252.0	277.5	135.8	42.4	99.4	187.5	13.2	174.2
Oct ^p	825.0	639.2	360.5	252.5	278.6	136.9	44.6	97.1	185.8	15.4	170.4

¹ Beginning 1960, farm residential buildings included in residential buildings; prior to 1960, included in nonresidential buildings and other construction.

² Includes residential improvements, not shown separately. Prior to 1964, also includes nonhousekeeping units (hotels, motels, etc.).

³ Office buildings, warehouses, stores, restaurants, garages, etc., and, beginning 1964, hotels and motels; prior to 1964 hotels and motels are included in total residential.

⁴ Religious, educational, hospital and institutional, miscellaneous nonresidential, farm (see also footnote 1), public utilities (telecommunications, gas, electric, railroad, and petroleum pipelines), and all other private.

⁵ Includes Federal grants-in-aid for State and local projects.

Source: Department of Commerce, Bureau of the Census.

TABLE B-56.—*New housing units started and authorized, 1959–2000*

[Thousands of units; monthly data at seasonally adjusted annual rates]

Year or month	New housing units started						New private housing units authorized ²			
	Private and public ¹		Private (farm and nonfarm) ¹			Total	Type of structure			
	Total (farm and nonfarm)	Nonfarm	Total	1 unit	2 to 4 units	5 units or more	Total	1 unit	2 to 4 units	5 units or more
1959	1,553.7	1,531.3	1,517.0	1,234.0	282.9		1,208.3	938.3	77.1	192.9
1960	1,296.1	1,274.0	1,252.2	994.7	257.5		998.0	746.1	64.6	187.4
1961	1,365.0	1,336.8	1,313.0	974.3	338.7		1,064.2	722.8	67.6	273.8
1962	1,492.5	1,468.7	1,462.9	991.4	471.5		1,186.6	716.2	87.1	383.3
1963	1,634.9	1,614.8	1,603.2	1,012.4	590.7		1,334.7	750.2	118.9	465.6
1964	1,561.0	1,534.0	1,528.8	970.5	108.4	450.0	1,285.8	720.1	100.8	464.9
1965	1,509.7	1,487.5	1,472.8	963.7	86.6	422.5	1,239.8	709.9	84.8	445.1
1966	1,195.8	1,172.8	1,164.9	778.6	61.1	325.1	971.9	563.2	61.0	347.7
1967	1,321.9	1,298.8	1,291.6	843.9	71.6	376.1	1,141.0	650.6	73.0	417.5
1968	1,545.4	1,521.4	1,507.6	899.4	80.9	527.3	1,353.4	694.7	84.3	574.4
1969	1,499.5	1,482.3	1,466.8	810.6	85.0	571.2	1,323.7	625.9	85.2	612.7
1970	1,469.0	(3)	1,433.6	812.9	84.8	535.9	1,351.5	646.8	88.1	616.7
1971	2,084.5	(3)	2,052.2	1,151.0	120.3	780.9	1,924.6	906.1	132.9	885.7
1972	2,378.5	(3)	2,356.6	1,309.2	141.3	906.2	2,218.9	1,033.1	148.6	1,037.2
1973	2,057.5	(3)	2,045.3	1,132.0	118.3	795.0	1,819.5	882.1	117.0	820.5
1974	1,352.5	(3)	1,337.7	888.1	68.1	381.6	1,074.4	643.8	64.3	366.2
1975	1,171.4	(3)	1,160.4	892.2	64.0	204.3	939.2	675.5	63.9	199.8
1976	1,547.6	(3)	1,537.5	1,162.4	85.9	289.2	1,296.2	893.6	93.1	309.5
1977	2,001.7	(3)	1,987.1	1,450.9	121.7	414.4	1,690.0	1,126.1	121.3	442.7
1978	2,036.1	(3)	2,020.3	1,433.3	125.0	462.0	1,800.5	1,182.6	130.6	487.3
1979	1,760.0	(3)	1,745.1	1,194.1	122.0	429.0	1,551.8	981.5	125.4	444.8
1980	1,312.6	(3)	1,292.2	852.2	109.5	330.5	1,190.6	710.4	114.5	365.7
1981	1,100.3	(3)	1,084.2	705.4	91.1	287.7	985.5	564.3	101.8	319.4
1982	1,072.1	(3)	1,062.2	662.6	80.0	319.6	1,000.5	546.4	88.3	365.8
1983	1,712.5	(3)	1,703.0	1,067.6	113.5	522.0	1,605.2	901.5	133.6	570.1
1984	1,755.8	(3)	1,749.5	1,084.2	121.4	544.0	1,681.8	922.4	142.6	616.8
1985	1,745.0	(3)	1,741.8	1,072.4	93.4	576.1	1,733.3	956.6	120.1	656.6
1986	1,807.1	(3)	1,805.4	1,179.4	84.0	542.0	1,769.4	1,077.6	108.4	583.5
1987	1,622.7	(3)	1,620.5	1,146.4	65.3	408.7	1,534.8	1,024.4	89.3	421.1
1988	(4)	(3)	1,488.1	1,081.3	58.8	348.0	1,455.6	993.8	75.7	386.1
1989	(4)	(3)	1,376.1	1,003.3	55.2	317.6	1,338.4	931.7	67.0	339.8
1990	(4)	(3)	1,192.7	894.8	37.5	260.4	1,110.8	793.9	54.3	262.6
1991	(4)	(3)	1,013.9	840.4	35.6	137.9	948.8	753.5	43.1	152.1
1992	(4)	(3)	1,199.7	1,029.9	30.7	139.0	1,094.9	910.7	45.8	138.4
1993	(4)	(3)	1,287.6	1,125.7	29.4	132.6	1,199.1	986.5	52.3	160.2
1994	(4)	(3)	1,457.0	1,198.4	35.0	223.5	1,371.6	1,068.5	62.2	241.0
1995	(4)	(3)	1,354.1	1,076.2	33.7	244.1	1,332.5	997.3	63.7	271.5
1996	(4)	(3)	1,476.8	1,160.9	45.2	270.8	1,425.6	1,069.5	65.8	290.3
1997	(4)	(3)	1,474.0	1,133.7	44.5	295.8	1,441.1	1,062.4	68.5	310.3
1998	(4)	(3)	1,616.9	1,271.4	42.6	302.9	1,612.3	1,187.6	69.2	355.5
1999	(4)	(3)	1,666.5	1,334.9	31.9	299.7	1,663.5	1,246.7	65.8	351.1
1999: Jan	(4)	(3)	1,804	1,393	53	358	1,745	1,269	79	397
Feb	(4)	(3)	1,738	1,379	25	334	1,748	1,308	69	371
Mar	(4)	(3)	1,737	1,377	33	327	1,681	1,255	65	361
Apr	(4)	(3)	1,561	1,248	31	282	1,595	1,223	65	307
May	(4)	(3)	1,649	1,368	26	255	1,639	1,253	60	326
June	(4)	(3)	1,562	1,269	29	264	1,696	1,266	63	367
July	(4)	(3)	1,704	1,348	40	316	1,673	1,263	64	346
Aug	(4)	(3)	1,657	1,285	31	341	1,658	1,233	66	359
Sept	(4)	(3)	1,628	1,290	38	300	1,553	1,200	65	288
Oct	(4)	(3)	1,636	1,343	26	267	1,636	1,204	62	370
Nov	(4)	(3)	1,663	1,344	25	294	1,678	1,238	68	372
Dec	(4)	(3)	1,769	1,441	30	298	1,683	1,266	68	349
2000: Jan	(4)	(3)	1,744	1,361	32	351	1,762	1,317	65	380
Feb	(4)	(3)	1,822	1,324	40	458	1,661	1,223	67	371
Mar	(4)	(3)	1,630	1,327	16	287	1,597	1,238	68	291
Apr	(4)	(3)	1,652	1,310	30	312	1,559	1,164	58	337
May	(4)	(3)	1,591	1,258	26	307	1,511	1,150	62	299
June	(4)	(3)	1,571	1,227	39	305	1,528	1,127	61	340
July	(4)	(3)	1,527	1,201	43	283	1,511	1,117	55	339
Aug	(4)	(3)	1,519	1,229	41	249	1,486	1,140	66	280
Sept	(4)	(3)	1,537	1,226	41	270	1,518	1,157	65	296
Oct ^p	(4)	(3)	1,528	1,225	41	262	1,546	1,191	66	289
Nov ^p	(4)	(3)	1,562	1,220	44	298	1,586	1,173	66	347

¹ Units in structures built by private developers for sale upon completion to local public housing authorities under the Department of Housing and Urban Development "Turnkey" program are classified as private housing. Military housing starts, including those financed with mortgages insured by FHA under Section 803 of the National Housing Act, are included in publicly owned starts and excluded from total private starts.

² Authorized by issuance of local building permit: in 19,000 permit-issuing places beginning 1994; in 17,000 places for 1984-93; in 16,000 places for 1978-83; in 14,000 places for 1972-77; in 13,000 places for 1967-71; in 12,000 places for 1963-66; and in 10,000 places prior to 1963.

³ Not available separately beginning January 1970.

⁴ Series discontinued December 1988.

Source: Department of Commerce, Bureau of the Census.

TABLE B-57.—*Manufacturing and trade sales and inventories, 1954–2000*
[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	Total manufacturing and trade			Manufacturing			Merchant wholesalers			Retail trade		
	Sales ¹	Inventories ²	Ratio ³	Sales ¹	Inventories ²	Ratio ³	Sales ¹	Inventories ²	Ratio ³	Sales ¹	Inventories ²	Ratio ³
1954	46,443	73,175	1.60	23,355	41,612	1.81	8,993	10,637	1.18	14,095	20,926	1.51
1955	51,694	79,516	1.47	26,480	45,069	1.62	9,893	11,678	1.13	15,321	22,769	1.43
1956	54,063	87,304	1.55	27,740	50,642	1.73	10,513	13,260	1.19	15,811	23,402	1.47
1957	55,879	89,052	1.59	28,736	51,871	1.80	10,475	12,730	1.23	16,667	24,451	1.44
1958	54,201	87,055	1.61	27,248	50,203	1.84	10,257	12,739	1.24	16,696	24,113	1.44
1959	59,729	92,097	1.54	30,286	52,913	1.75	11,491	13,879	1.21	17,951	25,305	1.41
1960	60,827	94,719	1.56	30,878	53,786	1.74	11,656	14,120	1.21	18,294	26,813	1.47
1961	61,159	95,580	1.56	30,922	54,871	1.77	11,988	14,488	1.21	18,249	26,221	1.44
1962	65,662	101,049	1.54	33,358	58,172	1.74	12,674	14,936	1.18	19,630	27,941	1.42
1963	68,995	105,463	1.53	35,058	60,029	1.71	13,382	16,048	1.20	20,556	29,386	1.43
1964	73,682	111,504	1.51	37,331	63,410	1.70	14,529	17,000	1.17	21,823	31,094	1.42
1965	80,283	120,929	1.51	40,995	68,207	1.66	15,611	18,317	1.17	23,677	34,405	1.45
1966	87,187	136,824	1.57	44,870	77,986	1.74	16,987	20,765	1.22	25,330	38,073	1.50
1967	90,820	145,681	1.60	46,486	84,646	1.82	19,576	25,786	1.32	24,757	35,249	1.42
1968	98,685	156,611	1.59	50,229	90,560	1.80	21,012	27,166	1.29	27,445	38,885	1.42
1969	105,690	170,400	1.61	53,501	98,145	1.83	22,818	29,800	1.31	29,371	42,455	1.45
1970	108,221	178,594	1.65	52,805	101,599	1.92	24,167	33,354	1.38	31,249	43,641	1.40
1971	116,895	188,991	1.62	55,906	102,567	1.83	26,492	36,568	1.38	34,497	49,856	1.45
1972	131,081	203,227	1.55	63,027	108,121	1.72	29,866	40,297	1.35	38,189	54,809	1.44
1973	153,677	234,406	1.53	72,931	124,499	1.71	38,115	46,918	1.23	42,631	62,989	1.48
1974	177,912	287,144	1.61	84,790	157,625	1.86	47,982	58,667	1.22	45,141	70,852	1.57
1975	182,198	288,992	1.59	86,589	159,708	1.84	46,634	57,774	1.24	48,975	71,510	1.46
1976	204,150	318,345	1.56	98,797	174,636	1.77	50,698	64,622	1.27	54,655	79,087	1.45
1977	229,513	350,706	1.53	113,201	188,378	1.66	56,136	73,179	1.30	60,176	89,149	1.48
1978	260,320	400,931	1.54	126,905	211,691	1.67	66,413	86,934	1.31	67,002	102,306	1.53
1979	297,701	452,640	1.52	143,936	242,157	1.68	79,051	99,679	1.26	74,713	110,804	1.48
1980	327,233	508,924	1.56	154,391	265,215	1.72	93,099	122,631	1.32	79,743	121,078	1.52
1981	355,822	545,786	1.53	168,129	283,413	1.69	101,180	129,654	1.28	86,514	132,719	1.53
1982	347,625	573,908	1.67	163,351	311,852	1.95	95,211	127,428	1.36	89,062	134,628	1.49
1983	369,286	590,287	1.56	172,547	312,379	1.78	99,225	130,075	1.28	97,514	147,833	1.44
1984	410,124	649,780	1.53	190,682	339,516	1.73	112,199	142,452	1.23	107,243	167,812	1.49
1985	422,583	664,039	1.56	194,538	334,749	1.73	113,459	147,409	1.28	114,586	181,881	1.52
1986	430,419	662,738	1.55	194,657	322,654	1.68	114,960	153,574	1.32	120,803	186,510	1.56
1987	457,735	709,848	1.50	206,326	338,109	1.59	122,968	163,903	1.29	128,442	207,836	1.55
1988	497,157	767,222	1.49	224,619	369,374	1.57	134,521	178,801	1.30	138,017	219,047	1.54
1989	527,039	815,455	1.52	236,698	391,212	1.63	143,760	187,009	1.28	146,581	237,234	1.58
1990	545,909	840,594	1.52	242,686	405,073	1.65	149,506	195,833	1.29	153,718	239,688	1.56
1991	542,815	834,609	1.53	239,847	390,950	1.65	148,306	200,448	1.33	154,661	243,211	1.54
1992	567,176	842,809	1.48	250,394	382,510	1.54	154,150	208,302	1.32	162,632	251,997	1.52
1993	595,628	870,396	1.44	260,635	384,039	1.47	161,484	217,425	1.32	173,509	268,932	1.51
1994	639,163	934,769	1.41	279,002	404,877	1.41	172,811	236,287	1.30	187,350	293,605	1.50
1995	684,982	995,547	1.43	299,555	430,985	1.41	188,842	254,844	1.32	196,584	309,718	1.55
1996	718,113	1,014,340	1.40	309,622	436,729	1.40	199,961	257,626	1.29	208,530	319,985	1.51
1997	753,445	1,061,815	1.38	327,452	456,133	1.37	208,446	276,140	1.28	217,547	329,542	1.49
1998	779,413	1,100,166	1.39	337,687	466,798	1.38	212,926	290,171	1.33	228,799	343,197	1.47
1999	833,079	1,150,554	1.35	354,961	470,377	1.31	228,540	307,925	1.31	249,577	372,252	1.44
1999: Jan	796,003	1,101,132	1.38	341,673	464,867	1.36	215,176	290,107	1.35	239,154	346,158	1.45
Feb	803,573	1,103,951	1.37	343,724	464,198	1.35	218,269	291,961	1.34	241,580	347,792	1.44
Mar	811,873	1,108,353	1.37	349,065	463,578	1.33	220,492	292,488	1.33	242,316	352,287	1.45
Apr	814,016	1,110,561	1.36	347,568	463,194	1.33	221,892	292,811	1.32	244,556	354,556	1.45
May	823,837	1,113,318	1.35	350,624	463,742	1.32	225,888	293,750	1.30	247,325	355,826	1.44
June	831,716	1,116,968	1.34	354,702	462,690	1.30	229,019	294,980	1.29	247,995	359,298	1.45
July	836,946	1,122,074	1.34	357,301	465,043	1.30	229,642	298,008	1.30	250,003	359,023	1.44
Aug	847,077	1,125,482	1.33	361,844	464,351	1.28	231,775	299,711	1.29	253,458	361,420	1.43
Sept	845,844	1,130,446	1.34	358,709	465,669	1.30	233,225	301,577	1.29	253,910	363,200	1.43
Oct	850,844	1,134,723	1.33	360,201	467,522	1.30	235,776	303,955	1.29	254,867	363,246	1.43
Nov	861,753	1,144,815	1.33	364,971	469,836	1.29	238,540	306,900	1.29	258,242	368,079	1.43
Dec	871,172	1,150,554	1.32	367,872	470,377	1.28	241,672	307,925	1.27	261,628	372,252	1.42
2000: Jan	877,271	1,156,942	1.32	370,565	472,706	1.28	243,213	310,368	1.28	263,493	373,868	1.42
Feb	881,157	1,162,448	1.32	370,865	475,999	1.28	243,128	312,230	1.28	267,164	374,219	1.40
Mar	891,597	1,165,746	1.31	377,562	475,887	1.26	245,678	314,206	1.28	268,357	375,653	1.40
Apr	886,555	1,171,965	1.32	373,079	477,868	1.28	246,357	317,164	1.29	267,119	376,933	1.41
May	895,965	1,182,162	1.32	381,157	479,362	1.26	247,391	320,188	1.29	267,417	382,612	1.43
June	902,798	1,192,224	1.32	384,208	482,041	1.25	250,154	323,252	1.29	268,436	386,931	1.44
July	897,634	1,197,112	1.33	377,584	486,303	1.29	249,405	324,313	1.30	270,645	386,496	1.43
Aug	901,289	1,205,636	1.34	380,780	487,644	1.28	249,960	326,195	1.30	270,549	391,797	1.45
Sept	903,881	1,207,688	1.34	380,025	488,884	1.29	251,142	326,352	1.30	272,714	392,452	1.44
Oct	901,646	1,215,282	1.35	377,720	491,857	1.30	251,129	327,416	1.30	272,797	396,009	1.45

¹ Annual data are averages of monthly not seasonally adjusted figures.

² Seasonally adjusted, end of period. Inventories beginning January 1982 for manufacturing and December 1980 for wholesale and retail trade are not comparable with earlier periods.

³ Inventory/sales ratio. Annual data are: beginning 1982, averages of monthly ratios; for 1958-81, ratio of December inventories to monthly average sales for the year; and for earlier years, weighted averages. Monthly data are ratio of inventories at end of month to sales for month.

Note.—Earlier data are not strictly comparable with data beginning 1958 for manufacturing and beginning 1967 for wholesale and retail trade.

Source: Department of Commerce, Bureau of the Census.

TABLE B-58.—*Manufacturers' shipments and inventories, 1954-2000*

[Millions of dollars; monthly data seasonally adjusted]

Year or month	Shipments ¹			Inventories ²								
	Total	Durable goods industries	Nondurable goods industries	Total	Durable goods industries				Nondurable goods industries			
					Total	Materials and supplies	Work in process	Finished goods	Total	Materials and supplies	Work in process	Finished goods
1954	23,355	11,828	11,527	41,612	23,710	7,894	9,721	6,040	17,902	8,167	2,440	7,415
1955	26,480	14,071	12,409	45,069	26,405	9,194	10,756	6,348	18,664	8,556	2,571	7,666
1956	27,740	14,715	13,025	50,642	30,447	10,417	12,317	7,565	20,195	8,971	2,721	8,622
1957	28,736	15,237	13,499	51,871	31,728	10,608	12,837	8,125	20,143	8,775	2,864	8,624
1958	27,248	13,553	13,695	50,203	30,194	9,970	12,408	7,816	20,009	8,676	2,827	8,506
1959	30,286	15,597	14,689	52,913	32,012	10,709	13,086	8,217	20,901	9,094	2,942	8,865
1960	30,878	15,870	15,008	53,786	32,337	10,306	12,809	9,222	21,449	9,097	2,947	9,405
1961	30,922	15,601	15,321	54,871	32,496	10,246	13,211	9,039	22,375	9,505	3,108	9,762
1962	33,358	17,247	16,111	58,172	34,565	10,794	14,124	9,647	23,607	9,836	3,304	10,467
1963	35,058	18,255	16,803	60,029	35,776	11,053	14,835	9,888	24,253	10,009	3,420	10,824
1964	37,331	19,611	17,720	63,410	38,421	11,946	16,158	10,317	24,989	10,167	3,531	11,291
1965	40,995	22,193	18,802	68,207	42,189	13,298	18,055	10,836	26,018	10,487	3,825	11,706
1966	44,870	24,617	20,253	77,986	49,852	15,464	21,908	12,480	28,134	11,197	4,226	12,711
1967	46,486	25,233	21,253	84,646	54,896	16,423	24,933	13,540	29,750	11,760	4,431	13,559
1968	50,229	27,624	22,605	90,560	58,732	17,344	27,213	14,175	31,828	12,328	4,852	14,648
1969	53,501	29,403	24,098	98,145	64,598	18,636	30,282	15,680	33,547	12,753	5,120	15,674
1970	52,805	28,156	24,649	101,599	66,651	19,149	29,745	17,757	34,948	13,168	5,271	16,509
1971	55,906	29,924	25,982	102,567	66,136	19,679	28,550	17,907	36,431	13,686	5,678	17,067
1972	63,027	33,987	29,040	108,121	70,067	20,807	30,713	18,547	38,054	14,677	5,998	17,379
1973	72,931	39,635	33,296	124,499	81,192	25,944	35,490	19,758	43,307	18,147	6,729	18,431
1974	84,790	44,173	40,617	157,625	101,493	35,070	42,530	23,893	56,132	23,744	8,189	24,199
1975	86,589	43,598	42,991	159,708	102,590	33,903	43,227	25,460	57,118	23,565	8,834	24,719
1976	98,797	50,623	48,174	174,636	111,988	37,457	46,074	28,457	62,648	25,847	9,929	26,872
1977	113,201	59,168	54,033	188,378	120,877	40,186	50,226	30,465	67,501	27,387	10,961	29,153
1978	126,905	67,731	59,174	211,691	138,181	45,198	58,848	34,135	73,510	29,619	12,085	31,806
1979	143,936	75,927	68,009	242,157	160,734	52,670	69,325	38,739	81,423	32,814	13,910	34,699
1980	154,391	77,419	76,972	265,215	174,788	55,173	76,945	42,670	90,427	36,606	15,884	37,937
1981	168,129	83,727	84,402	283,413	186,443	57,998	80,998	47,447	96,970	38,165	16,194	42,611
1982	163,351	79,212	84,139	311,852	200,444	59,136	86,707	54,601	111,408	44,039	18,612	48,757
1983	172,547	85,481	87,066	312,379	199,854	60,325	86,899	52,630	112,525	44,816	18,691	49,018
1984	190,682	97,940	92,742	339,516	221,330	66,031	98,251	57,048	118,186	45,692	19,328	53,166
1985	194,538	101,279	93,259	334,749	218,193	63,904	98,162	56,127	116,556	44,106	19,442	53,008
1986	194,657	103,238	91,419	322,654	211,997	61,331	97,000	53,666	110,657	42,335	18,124	50,198
1987	206,326	108,128	98,198	338,109	220,799	63,562	102,393	54,844	117,310	45,319	19,270	52,721
1988	224,619	118,458	106,161	369,374	242,468	69,611	112,958	59,899	126,906	49,396	20,559	56,951
1989	236,698	123,158	113,540	391,212	257,513	72,435	122,251	62,827	133,699	50,674	21,653	61,372
1990	242,686	123,776	118,910	405,073	263,209	73,559	124,130	65,520	141,864	52,645	22,817	66,402
1991	239,847	121,000	118,847	390,950	250,019	70,834	114,960	64,225	140,931	53,011	22,815	65,105
1992	250,394	128,489	121,905	382,510	238,105	69,459	104,424	64,222	144,405	54,007	23,532	66,866
1993	260,635	135,886	124,749	384,039	239,334	72,590	102,468	64,276	144,705	55,072	23,371	66,262
1994	279,002	149,131	129,870	404,877	253,624	78,468	107,037	68,119	151,253	58,157	24,638	68,458
1995	299,555	160,586	138,970	430,985	268,353	85,577	107,209	75,567	162,632	62,324	26,007	74,301
1996	309,622	167,013	142,608	436,729	273,815	86,438	111,289	76,088	162,914	60,416	26,621	75,877
1997	327,452	179,892	147,560	456,133	286,372	89,844	117,236	79,292	169,761	61,233	29,498	79,030
1998	337,687	189,666	148,022	466,798	295,344	91,740	121,246	82,358	171,454	62,306	29,344	79,804
1999	354,961	200,623	154,338	470,377	295,034	95,780	113,607	85,647	175,343	62,302	30,737	82,304
1999: Jan	341,673	194,091	147,582	464,867	293,563	91,974	119,364	82,225	171,304	62,041	29,441	79,822
1999: Feb	343,724	194,465	149,259	464,198	294,030	92,436	119,250	82,344	170,168	61,503	29,457	79,208
1999: Mar	349,065	198,292	150,773	463,578	293,391	92,298	118,609	82,484	170,187	61,090	29,786	79,311
1999: Apr	347,568	197,246	150,322	463,194	292,415	91,722	117,829	82,864	170,779	61,027	30,347	79,405
1999: May	350,624	199,425	151,199	463,742	292,403	91,677	117,183	83,543	171,339	61,166	30,610	79,563
1999: June	354,702	200,990	153,712	462,690	291,645	92,031	116,056	83,558	171,045	60,921	30,553	79,571
1999: July	357,301	203,268	154,033	465,043	293,505	92,918	116,737	83,850	171,538	60,997	30,336	80,205
1999: Aug	361,844	205,709	156,135	464,351	292,461	92,531	115,260	84,670	171,890	60,895	29,972	81,023
1999: Sept	358,709	201,895	156,814	465,669	292,901	92,990	115,393	84,518	172,768	61,160	30,194	81,414
1999: Oct	360,201	202,306	157,895	467,522	293,448	92,872	115,659	84,917	174,074	61,192	30,559	82,323
1999: Nov	364,971	204,430	160,541	469,836	294,970	94,477	115,411	85,082	174,866	61,738	30,814	82,314
1999: Dec	367,872	206,480	161,392	470,377	295,034	95,780	113,607	85,647	175,343	62,302	30,737	82,304
2000: Jan	370,565	209,442	161,123	472,706	296,566	95,108	114,331	87,127	176,140	62,633	30,657	82,850
2000: Feb	370,865	206,555	164,310	475,999	298,505	96,083	114,837	87,585	177,494	62,933	30,724	83,837
2000: Mar	377,562	211,477	166,085	475,887	297,959	95,872	114,213	87,874	177,928	63,377	30,919	83,632
2000: Apr	373,079	209,309	163,770	477,868	299,396	96,165	115,084	88,147	178,472	63,344	30,906	84,222
2000: May	381,157	214,890	166,267	479,362	299,916	97,252	114,240	88,424	179,446	63,874	30,864	84,708
2000: June	384,208	217,645	166,563	482,041	301,119	97,663	113,876	89,580	180,922	63,992	31,447	85,483
2000: July	377,584	212,142	165,442	486,303	303,724	98,487	113,412	91,825	182,579	64,311	32,034	86,234
2000: Aug	380,780	214,018	166,762	487,644	305,162	99,430	112,626	93,106	182,482	64,218	32,061	86,203
2000: Sept	380,025	214,165	165,860	488,884	305,333	99,208	112,413	93,712	183,551	64,538	32,098	86,915
2000: Oct ^p	377,720	211,744	165,976	491,857	307,808	99,618	112,592	95,598	184,049	63,927	32,791	87,331

¹ Annual data are averages of monthly not seasonally adjusted figures.² Seasonally adjusted, end of period. Data beginning 1982 are not comparable with data for prior periods.

Note.—Data beginning 1958 are not strictly comparable with earlier data.

Source: Department of Commerce, Bureau of the Census.

TABLE B-59.—Manufacturers' new and unfilled orders, 1954–2000

[Amounts in millions of dollars; monthly data seasonally adjusted]

Year or month	New orders ¹				Unfilled orders ²			Unfilled orders—shipments ratio ³		
	Total	Durable goods industries		Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries	Total	Durable goods industries	Non-durable goods industries
		Total	Capital goods industries, non-defense							
1954	22,335	10,768	.....	11,566	48,266	45,250	3,016	3.42	4.12	0.96
1955	27,465	14,996	.....	12,469	60,004	56,241	3,763	3.63	4.27	1.12
1956	28,368	15,365	.....	13,003	67,375	63,880	3,495	3.87	4.55	1.04
1957	27,559	14,111	.....	13,448	53,183	50,352	2,831	3.35	4.00	.85
1958	27,193	13,387	.....	13,805	46,609	43,807	2,802	3.02	3.62	.85
1959	30,711	15,979	.....	14,732	51,717	48,369	3,348	2.94	3.47	.92
1960	30,232	15,288	.....	14,944	44,213	41,650	2,563	2.71	3.29	.71
1961	31,112	15,753	.....	15,359	46,624	43,582	3,042	2.58	3.08	.78
1962	33,440	17,363	.....	16,078	47,798	45,170	2,628	2.64	3.18	.68
1963	35,511	18,671	.....	16,840	53,417	50,346	3,071	2.74	3.31	.72
1964	38,240	20,507	.....	17,732	64,518	61,315	3,203	2.99	3.59	.71
1965	42,137	23,286	.....	18,851	78,249	74,459	3,790	3.25	3.86	.79
1966	46,420	26,163	.....	20,258	96,846	93,002	3,844	3.74	4.48	.75
1967	47,067	25,803	.....	21,265	103,711	99,735	3,976	3.66	4.37	.73
1968	50,657	28,051	6,314	22,606	108,377	104,393	3,984	3.79	4.58	.69
1969	53,990	29,876	7,046	24,114	114,341	110,161	4,180	3.71	4.45	.69
1970	52,022	27,340	6,072	24,682	105,008	100,412	4,596	3.61	4.36	.76
1971	55,921	29,905	6,682	26,016	105,247	100,225	5,022	3.32	4.00	.76
1972	64,182	35,038	7,745	29,144	119,349	113,034	6,315	3.26	3.85	.86
1973	76,003	42,627	9,926	33,376	156,561	149,204	7,357	3.80	4.51	.91
1974	87,327	46,862	11,594	40,465	187,043	181,519	5,524	4.09	4.93	.62
1975	85,139	41,957	9,886	43,181	169,546	161,664	7,882	3.69	4.45	.82
1976	99,513	51,307	11,490	48,206	178,128	169,857	8,271	3.24	3.88	.74
1977	115,109	61,035	13,681	54,073	202,024	193,323	8,701	3.24	3.85	.71
1978	131,629	72,278	17,588	59,351	259,169	248,281	10,888	3.57	4.20	.81
1979	147,604	79,483	21,154	68,121	303,593	291,321	12,272	3.89	4.62	.82
1980	156,359	79,392	21,135	76,967	327,416	315,202	12,214	3.85	4.58	.75
1981	168,025	83,654	21,806	84,371	326,547	314,707	11,840	3.87	4.68	.69
1982	162,140	78,064	19,213	84,077	311,887	300,798	11,089	3.84	4.74	.62
1983	175,451	88,140	19,624	87,311	347,273	333,114	14,159	3.53	4.29	.69
1984	192,879	100,164	23,669	92,715	373,529	359,651	13,878	3.60	4.37	.64
1985	195,706	102,356	24,545	93,351	387,196	372,097	15,099	3.67	4.47	.68
1986	195,204	103,647	23,982	91,557	393,515	376,699	16,816	3.59	4.41	.70
1987	209,389	110,809	26,094	98,579	430,426	408,688	21,738	3.63	4.43	.83
1988	228,270	122,076	31,108	106,194	474,154	452,150	22,004	3.64	4.46	.76
1989	239,572	126,055	32,988	113,516	508,849	487,098	21,751	3.96	4.85	.77
1990	244,507	125,583	33,331	118,924	531,131	509,124	22,007	4.15	5.15	.76
1991	238,805	119,849	30,471	118,957	519,199	495,802	23,397	4.08	5.07	.79
1992	248,212	126,308	31,524	121,905	492,893	469,381	23,512	3.51	4.30	.75
1993	257,698	133,081	31,694	124,617	457,810	436,017	21,793	3.14	3.80	.71
1994	279,733	149,542	35,697	130,191	466,699	440,998	25,701	2.92	3.50	.75
1995	300,632	161,782	40,511	138,851	479,674	455,459	24,215	2.81	3.38	.68
1996	312,442	169,711	44,631	142,730	513,062	487,441	25,621	2.93	3.49	.72
1997	329,335	181,726	48,165	147,610	536,131	509,927	26,204	2.80	3.33	.69
1998	336,140	188,308	51,700	147,832	519,038	495,172	23,866	2.61	3.07	.64
1999	356,599	202,097	54,955	154,502	538,217	512,535	25,682	2.57	3.01	.66
1999: Jan	349,314	201,708	56,863	147,606	526,677	502,787	23,890	2.67	3.14	.64
Feb	343,046	193,786	53,233	149,260	525,999	502,108	23,891	2.67	3.15	.64
Mar	349,722	199,366	53,299	150,356	526,656	503,182	23,474	2.64	3.10	.64
Apr	344,915	194,674	52,525	150,241	524,003	500,610	23,393	2.63	3.08	.63
May	348,259	196,609	53,041	151,650	521,638	497,794	23,844	2.59	3.03	.64
June	351,128	197,084	50,948	154,044	518,064	493,888	24,176	2.57	3.01	.65
July	359,903	205,532	55,030	154,371	520,666	496,152	24,514	2.55	2.98	.65
Aug	364,440	207,446	56,423	156,994	523,262	497,889	25,373	2.53	2.95	.67
Sept	360,886	204,349	56,050	156,537	525,439	500,343	25,096	2.58	3.02	.67
Oct	360,725	202,442	56,291	158,283	525,963	500,479	25,484	2.57	2.99	.68
Nov	365,612	204,799	54,385	160,813	526,604	500,848	25,756	2.54	2.97	.67
Dec	379,485	218,167	62,639	161,318	538,217	512,535	25,682	2.57	3.01	.66
2000: Jan	374,967	213,982	63,350	160,985	542,619	517,075	25,544	2.57	2.99	.66
Feb	374,882	210,255	57,715	164,627	546,636	520,775	25,861	2.61	3.05	.67
Mar	385,097	219,165	60,375	165,932	554,171	528,463	25,708	2.59	3.03	.65
Apr	370,423	206,557	61,509	163,866	551,515	525,711	25,804	2.58	3.01	.66
May	387,906	221,388	60,818	166,518	558,264	532,209	26,055	2.56	2.98	.66
June	408,087	241,748	70,943	166,339	582,143	556,312	25,831	2.64	3.08	.65
July	375,030	209,877	62,283	165,153	579,589	554,047	25,542	2.67	3.12	.65
Aug	382,368	215,860	64,993	166,508	581,177	555,889	25,288	2.65	3.09	.64
Sept	386,647	220,651	68,494	165,996	587,799	562,375	25,424	2.69	3.14	.65
Oct	373,911	208,302	60,239	165,609	583,990	558,933	25,057	2.70	3.15	.64

¹ Annual data are averages of monthly not seasonally adjusted figures.² Seasonally adjusted, end of period.³ Ratio of unfilled orders at end of period to shipments for period; excludes industries with no unfilled orders. Annual figures relate to seasonally adjusted data for December.

Note.—Data beginning 1958 are not strictly comparable with earlier data.

Source: Department of Commerce, Bureau of the Census.

PRICES

TABLE B-60.—Consumer price indexes for major expenditure classes, 1958–2000

[For all urban consumers; 1982–84=100, except as noted]

Year or month	All items (CPI-U)	Food and beverages		Apparel	Hous- ing	Trans- por- ta- tion	Medical care	Enter- tain- ment	Recrea- tion ²	Educa- tion and communi- cation ²	Other goods and services	Ener- gy ³
		Total ¹	Food									
1958	28.9	.....	30.2	44.6	.....	28.6	20.6	.....	.....	.....	.....	21.5
1959	29.1	.....	29.7	45.0	.....	29.8	21.5	.....	.....	.....	.....	21.9
1960	29.6	.....	30.0	45.7	.....	29.8	22.3	.....	.....	.....	.....	22.4
1961	29.9	.....	30.4	46.1	.....	30.1	22.9	.....	.....	.....	.....	22.5
1962	30.2	.....	30.6	46.3	.....	30.8	23.5	.....	.....	.....	.....	22.6
1963	30.6	.....	31.1	46.9	.....	30.9	24.1	.....	.....	.....	.....	22.6
1964	31.0	.....	31.5	47.3	.....	31.4	24.6	.....	.....	.....	.....	22.5
1965	31.5	.....	32.2	47.8	.....	31.9	25.2	.....	.....	.....	.....	22.9
1966	32.4	.....	33.8	49.0	.....	32.3	26.3	.....	.....	.....	.....	23.3
1967	33.4	35.0	34.1	51.0	30.8	33.3	28.2	40.7	.....	.....	35.1	23.8
1968	34.8	36.2	35.3	53.7	32.0	34.3	29.9	43.0	.....	.....	36.9	24.2
1969	36.7	38.1	37.1	56.8	34.0	35.7	31.9	45.2	.....	.....	38.7	24.8
1970	38.8	40.1	39.2	59.2	36.4	37.5	34.0	47.5	.....	.....	40.9	25.5
1971	40.5	41.4	40.4	61.1	38.0	39.5	36.1	50.0	.....	.....	42.9	26.5
1972	41.8	43.1	42.1	62.3	39.4	39.9	37.3	51.5	.....	.....	44.7	27.2
1973	44.4	48.8	48.2	64.6	41.2	41.2	38.8	52.9	.....	.....	46.4	29.4
1974	49.3	55.5	55.1	69.4	45.8	45.8	42.4	56.9	.....	.....	49.8	38.1
1975	53.8	60.2	59.8	72.5	50.7	50.1	47.5	62.0	.....	.....	53.9	42.1
1976	56.9	62.1	61.6	75.2	53.8	55.1	52.0	65.1	.....	.....	57.0	45.1
1977	60.6	65.8	65.5	78.6	57.4	59.0	57.0	68.3	.....	.....	60.4	49.4
1978	65.2	72.2	72.0	81.4	62.4	61.7	61.8	71.9	.....	.....	64.3	52.5
1979	72.6	79.9	79.9	84.9	70.1	70.5	67.5	76.7	.....	.....	68.9	65.7
1980	82.4	86.7	86.8	90.9	81.1	83.1	74.9	83.6	.....	.....	75.2	86.0
1981	90.9	93.5	93.6	95.3	90.4	93.2	82.9	90.1	.....	.....	82.6	97.7
1982	96.5	97.3	97.4	97.8	96.9	97.0	92.5	96.0	.....	.....	91.1	99.2
1983	99.6	99.5	99.4	100.2	99.5	99.3	100.6	100.1	.....	.....	101.1	99.9
1984	103.9	103.2	103.2	102.1	103.6	103.7	106.8	103.8	.....	.....	107.9	100.9
1985	107.6	105.6	105.6	105.0	107.7	106.4	113.5	107.9	.....	.....	114.5	101.6
1986	109.6	109.1	109.0	105.9	110.9	102.3	122.0	111.6	.....	.....	121.4	88.2
1987	113.6	113.5	113.5	110.6	114.2	105.4	130.1	115.3	.....	.....	128.5	88.6
1988	118.3	118.2	118.2	115.4	118.5	108.7	138.6	120.3	.....	.....	137.0	89.3
1989	124.0	124.9	125.1	118.6	123.0	114.1	149.3	126.5	.....	.....	147.7	94.3
1990	130.7	132.1	132.4	124.1	128.5	120.5	162.8	132.4	.....	.....	159.0	102.1
1991	136.2	136.8	136.3	128.7	133.6	123.8	177.0	138.4	.....	.....	171.6	102.5
1992	140.3	138.7	137.9	131.9	137.5	126.5	190.1	142.3	.....	.....	183.3	103.0
1993	144.5	141.6	140.9	133.7	141.2	130.4	201.4	145.8	90.7	85.5	192.9	104.2
1994	148.2	144.9	144.3	133.4	144.8	134.3	211.0	150.1	92.7	88.8	198.5	104.6
1995	152.4	148.9	148.4	132.0	148.5	139.1	220.5	153.9	94.5	92.2	206.9	105.2
1996	156.9	153.7	153.3	131.7	152.8	143.0	228.2	159.1	97.4	95.3	215.4	110.1
1997	160.5	157.7	157.3	132.9	156.8	144.3	234.6	162.5	99.6	98.4	224.8	111.5
1998 ⁴	163.0	161.1	160.7	133.0	160.4	141.6	242.1	.....	101.1	100.3	237.7	102.9
1999 ⁵	166.6	164.6	164.1	131.3	163.9	144.4	250.6	.....	102.0	101.2	258.3	106.6
1999: Jan ⁵	164.3	163.9	163.6	127.9	161.8	140.4	246.6	.....	101.7	100.9	255.4	98.1
Feb	164.5	163.8	163.3	129.7	162.3	139.8	247.7	.....	101.8	100.9	255.0	97.3
Mar	165.0	163.7	163.3	132.7	162.8	140.6	248.3	.....	101.8	100.8	253.3	98.4
Apr	166.2	163.9	163.4	135.2	163.0	144.3	249.1	.....	102.0	100.7	256.1	105.0
May	166.2	164.2	163.7	134.2	163.0	144.2	249.5	.....	102.2	100.4	255.8	105.6
June	166.2	164.1	163.6	130.9	164.1	143.4	250.2	.....	102.2	100.3	255.9	106.8
July	166.7	164.2	163.8	127.3	164.7	144.7	251.1	.....	102.2	100.4	258.3	108.7
Aug	167.1	164.7	164.2	127.5	165.0	145.7	251.9	.....	102.2	101.2	257.6	111.3
Sept	167.9	165.1	164.6	131.8	165.2	146.5	252.3	.....	101.7	101.9	262.6	113.2
Oct	168.2	165.5	165.1	134.6	165.0	147.3	252.8	.....	101.8	102.1	263.2	111.6
Nov	168.3	165.7	165.2	133.6	164.9	147.6	253.3	.....	101.9	102.2	263.0	111.2
Dec	168.3	165.9	165.4	130.1	164.8	148.3	254.2	.....	102.0	102.3	263.0	112.2
2000: Jan	168.8	166.6	166.1	126.8	166.0	148.3	255.5	.....	102.3	102.7	264.7	112.5
Feb	169.8	166.8	166.3	129.2	167.1	149.7	257.0	.....	102.5	102.2	266.7	116.7
Mar	171.2	167.1	166.5	132.5	167.8	153.4	258.1	.....	102.9	102.0	268.0	122.2
Apr	171.3	167.2	166.6	133.3	167.9	152.9	258.8	.....	102.9	101.8	271.9	120.7
May	171.5	167.8	167.3	132.2	168.1	153.1	259.4	.....	103.1	101.8	270.2	121.0
June	172.4	167.9	167.3	128.3	169.6	155.7	260.5	.....	103.4	101.5	269.6	129.6
July	172.8	168.7	168.1	124.5	170.6	155.0	261.4	.....	103.7	102.0	272.2	129.7
Aug	172.8	169.2	168.7	125.3	170.9	153.2	262.6	.....	103.9	102.8	271.6	125.9
Sept	173.7	169.4	168.9	130.4	171.4	154.7	263.1	.....	103.8	102.9	274.7	130.6
Oct	174.0	169.6	169.1	132.8	171.7	154.4	263.7	.....	103.8	103.6	273.0	129.3
Nov	174.1	169.5	168.9	131.8	171.6	155.2	264.1	.....	103.7	103.2	276.2	129.0

¹ Includes alcoholic beverages, not shown separately.

² December 1997=100.

³ Household fuels—gas (piped), electricity, fuel oil, etc.—and motor fuel. Motor oil, coolant, etc. also included through 1982.

⁴ Data beginning 1998 reflect changes in series composition and renaming.

⁵ Data beginning 1999 reflect a change in the formula used for calculating the basic components of the consumer price index as well as other changes in methodology.

Note.—Data beginning 1983 incorporate a rental equivalence measure for homeowners' costs.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-61.—*Consumer price indexes for selected expenditure classes, 1958–2000*
[For all urban consumers; 1982-84=100, except as noted]

Year or month	Food and beverages				Housing								Furnishings and operations
	Total ¹	Food			Total	Shelter			Fuels and utilities			Furnishings and operations	
		Total	At home	Away from home		Total ²	Rent of primary residence	Owners' equivalent rent of primary residence ³	Total ²	Fuels		Furnishings and operations	
										Total	Fuel oil and other fuels	Gas (piped) and electricity	
1958 .....	.....	30.2	32.0	24.1	.....	24.5	37.6	.....	24.8	.....	13.7	21.9	.....
1959 .....	.....	29.7	31.2	24.8	.....	24.7	38.2	.....	25.4	.....	13.9	22.4	.....
1960 .....	.....	30.0	31.5	25.4	.....	25.2	38.7	.....	26.0	.....	13.8	23.3	.....
1961 .....	.....	30.4	31.8	26.0	.....	25.4	39.2	.....	26.3	.....	14.1	23.5	.....
1962 .....	.....	30.6	32.0	26.7	.....	25.8	39.7	.....	26.3	.....	14.2	23.5	.....
1963 .....	.....	31.1	32.4	27.3	.....	26.1	40.1	.....	26.6	.....	14.4	23.5	.....
1964 .....	.....	31.5	32.7	27.8	.....	26.5	40.5	.....	26.6	.....	14.4	23.5	.....
1965 .....	.....	32.2	33.5	28.4	.....	27.0	40.9	.....	26.6	.....	14.6	23.5	.....
1966 .....	.....	33.8	35.2	29.7	.....	27.8	41.5	.....	26.7	.....	15.0	23.6	.....
1967	35.0	34.1	35.1	31.3	30.8	28.8	42.2	.....	27.1	21.4	15.5	23.7	42.0
1968	36.2	35.3	36.3	32.9	32.0	30.1	43.3	.....	27.4	21.7	16.0	23.9	43.6
1969	38.1	37.1	38.0	34.9	34.0	32.6	44.7	.....	28.0	22.1	16.3	24.3	45.2
1970	40.1	39.2	39.9	37.5	36.4	35.5	46.5	.....	29.1	23.1	17.0	25.4	46.8
1971	41.4	40.4	40.9	39.4	38.0	37.0	48.7	.....	31.1	24.7	18.2	27.1	48.6
1972	43.1	42.1	42.7	41.0	39.4	38.7	50.4	.....	32.5	25.7	18.3	28.5	49.7
1973	48.8	48.2	49.7	44.2	41.2	40.5	52.5	.....	34.3	27.5	21.1	29.9	51.1
1974	55.5	55.1	57.1	49.8	45.8	44.4	55.2	.....	40.7	34.4	33.2	34.5	56.8
1975	60.2	59.8	61.8	54.5	50.7	48.8	58.0	.....	45.4	39.4	36.4	40.1	63.4
1976	62.1	61.6	63.1	58.2	53.8	51.5	61.1	.....	49.4	43.3	38.8	44.7	67.3
1977	65.8	65.5	66.8	62.6	57.4	54.9	64.8	.....	54.7	49.0	43.9	50.5	70.4
1978	72.2	72.0	73.8	68.3	62.4	60.5	69.3	.....	58.5	53.0	46.2	55.0	74.7
1979	79.9	79.9	81.8	75.9	70.1	68.9	74.3	.....	64.8	61.3	62.4	61.0	79.9
1980	86.7	86.8	88.4	83.4	81.1	81.0	80.9	.....	75.4	74.8	86.1	71.4	86.3
1981	93.5	93.6	94.8	90.9	90.4	90.5	87.9	.....	86.4	87.2	104.6	81.9	93.0
1982	97.3	97.4	98.1	95.8	96.9	96.9	94.6	.....	94.9	95.6	103.4	93.2	98.0
1983	99.5	99.4	99.1	100.0	99.5	99.1	100.1	102.5	100.2	100.5	97.2	101.5	100.2
1984	103.2	103.2	102.8	104.2	103.6	104.0	105.3	107.3	104.8	104.0	99.4	105.4	101.9
1985	105.6	105.6	104.3	108.3	107.7	109.8	111.8	113.2	106.5	104.5	95.9	107.1	103.8
1986	109.1	109.0	107.3	112.5	110.9	115.8	118.3	119.4	104.1	99.2	77.6	105.7	105.2
1987	113.5	113.5	111.9	117.0	114.2	121.3	123.1	124.8	103.0	97.3	77.9	103.8	107.1
1988	118.2	118.2	116.6	121.8	118.5	127.1	127.8	131.1	104.4	98.0	78.1	104.6	109.4
1989	124.9	125.1	124.2	127.4	123.0	132.8	132.8	137.4	107.8	100.9	81.7	107.5	111.2
1990	132.1	132.4	132.3	133.4	128.5	140.0	138.4	144.8	111.6	104.5	99.3	109.3	113.3
1991	136.8	136.3	135.8	137.9	133.6	146.3	143.3	150.4	115.3	106.7	94.6	112.6	116.0
1992	138.7	137.9	136.8	140.7	137.5	151.2	146.9	155.5	117.8	108.1	90.7	114.8	118.0
1993	141.6	140.9	140.1	143.2	141.2	155.7	150.3	160.5	121.3	111.2	90.3	118.5	119.3
1994	144.9	144.3	144.1	145.7	144.8	160.5	154.0	165.8	122.8	111.7	88.8	119.2	121.0
1995	148.9	148.4	148.8	149.0	148.5	165.7	157.8	171.3	123.7	111.5	88.1	119.2	123.0
1996	153.7	153.3	154.3	152.7	152.8	171.0	162.0	176.8	127.5	115.2	99.2	122.1	124.7
1997	157.7	157.3	158.1	157.0	156.8	176.3	166.7	181.9	130.8	117.9	99.8	125.1	125.4
1998 ⁴	161.1	160.7	161.1	161.1	160.4	182.1	172.1	187.8	128.5	113.7	90.0	121.2	126.6
1999 ⁵	164.6	164.1	164.2	165.1	163.9	187.3	177.5	192.9	128.8	113.5	91.4	120.9	126.7
1999: Jan ⁵	163.9	163.6	164.3	163.5	161.8	184.7	175.3	191.0	126.2	110.9	86.6	118.3	126.8
Feb	163.8	163.3	163.8	163.8	162.3	185.5	175.6	191.3	126.0	110.6	86.2	118.0	126.7
Mar	163.7	163.3	163.4	164.2	162.8	186.3	176.0	191.5	125.9	110.5	86.2	117.9	126.7
Apr	163.9	163.4	163.5	164.5	163.0	186.6	176.4	191.9	125.7	110.2	87.7	117.5	127.2
May	164.2	163.7	163.9	164.6	163.0	186.5	176.7	192.2	126.5	111.0	87.7	118.4	126.7
June	164.1	163.6	163.7	164.6	164.1	187.2	177.1	192.6	130.2	115.1	87.3	123.0	126.8
July	164.2	163.8	163.7	165.1	164.7	188.0	177.5	193.0	131.1	116.0	87.5	124.0	126.8
Aug	164.7	164.2	164.1	165.6	165.0	188.3	177.9	193.4	131.4	116.2	89.2	124.1	126.8
Sept	165.1	164.6	164.5	165.8	165.2	188.3	178.4	193.9	132.7	117.6	93.9	125.3	127.0
Oct	165.5	165.1	165.1	166.2	165.0	188.5	178.8	194.2	130.3	115.0	97.6	122.0	126.6
Nov	165.7	165.2	165.1	166.5	164.9	188.6	179.8	194.9	130.0	114.6	100.7	121.4	126.4
Dec	165.9	165.4	165.4	166.8	164.8	188.6	180.3	195.2	129.6	114.1	106.3	120.3	126.4
2000: Jan	166.6	166.1	166.3	167.2	166.0	190.1	181.1	196.2	129.9	114.3	114.4	119.8	127.0
Feb	166.8	166.3	166.3	167.6	167.1	191.0	181.5	196.6	132.9	117.6	147.2	120.6	127.2
Mar	167.1	166.5	166.4	167.9	167.8	192.2	182.0	196.9	131.8	116.3	130.1	120.7	127.9
Apr	167.2	166.6	166.5	168.1	167.9	192.3	182.3	197.2	131.7	116.1	123.7	121.0	128.2
May	167.8	167.3	167.5	168.3	168.1	192.4	182.7	197.6	132.4	116.8	121.6	122.0	128.1
June	167.9	167.3	167.3	168.6	169.6	193.3	183.2	198.2	138.9	124.0	120.9	130.2	128.1
July	168.7	168.1	168.3	169.1	170.6	194.1	183.9	198.6	141.3	126.5	120.8	133.0	128.6
Aug	169.2	168.7	168.9	169.5	170.9	194.7	184.6	199.2	140.9	125.9	120.8	132.4	128.6
Sept	169.4	168.9	169.0	170.0	171.4	194.6	185.3	199.9	143.8	129.1	133.7	134.8	129.0
Oct	169.6	169.1	169.1	170.3	171.7	195.2	186.1	200.5	143.1	128.3	137.6	133.6	128.7
Nov	169.5	168.9	168.8	170.4	171.6	195.2	186.8	201.2	142.7	127.7	140.3	132.7	128.9

¹ Includes alcoholic beverages, not shown separately.

² Includes other items, not shown separately.

³ December 1982=100.

See next page for continuation of table.

TABLE B-61.—*Consumer price indexes for selected expenditure classes, 1958–2000—Continued*
[For all urban consumers; 1982-84=100, except as noted]

Year or month	Transportation								Medical care						
	Total	Private transportation						Public transportation	Total	Medical care commodities	Medical care services				
		Total ²	New vehicles		Used cars and trucks	Motor fuel	Motor vehicle maintenance and repair								
			Total ²	New cars											
1958	28.6	29.5	50.1	50.0	24.0	23.4	25.4	20.9	20.6	46.1	17.9				
1959	29.8	30.8	52.3	52.2	26.8	23.7	26.0	21.5	21.5	46.8	18.7				
1960	29.8	30.6	51.6	51.5	25.0	24.4	26.5	22.2	22.3	46.9	19.5				
1961	30.1	30.8	51.6	51.5	26.0	24.1	27.1	23.2	22.9	46.3	20.2				
1962	30.8	31.4	51.4	51.3	28.4	24.3	27.5	24.0	23.5	45.6	20.9				
1963	30.9	31.6	51.1	51.0	28.7	24.2	27.8	24.3	24.1	45.2	21.5				
1964	31.4	32.0	50.9	50.9	30.0	24.1	28.2	24.7	24.6	45.1	22.0				
1965	31.9	32.5	49.8	49.7	29.8	25.1	28.7	25.2	25.2	45.0	22.7				
1966	32.3	32.9	48.9	48.8	29.0	25.6	29.2	26.1	26.3	45.1	23.9				
1967	33.3	33.8	49.3	49.3	29.9	26.4	30.4	27.4	28.2	44.9	26.0				
1968	34.3	34.8	50.7	50.7	.....	26.8	32.1	28.7	29.9	45.0	27.9			
1969	35.7	36.0	51.5	51.5	30.9	27.6	34.1	30.9	31.9	45.4	30.2				
1970	37.5	37.5	53.1	53.0	31.2	27.9	36.6	35.2	34.0	46.5	32.3				
1971	39.5	39.4	55.3	55.2	33.0	28.1	39.3	37.8	36.1	47.3	34.7				
1972	39.9	39.7	54.8	54.7	33.1	28.4	41.1	39.3	37.3	47.4	35.9				
1973	41.2	41.0	54.8	54.8	35.2	31.2	43.2	39.7	38.8	47.5	37.5				
1974	45.8	46.2	58.0	57.9	36.7	42.2	47.6	40.6	42.4	49.2	41.4				
1975	50.1	50.6	63.0	62.9	43.8	45.1	53.7	43.5	47.5	53.3	46.6				
1976	55.1	55.6	67.0	66.9	50.3	47.0	57.6	47.8	52.0	56.5	51.3				
1977	59.0	59.7	70.5	70.4	54.7	49.7	61.9	50.0	57.0	60.2	56.4				
1978	61.7	62.5	75.9	75.8	55.8	51.8	67.0	51.5	61.8	64.4	61.2				
1979	70.5	71.7	81.9	81.8	60.2	70.1	73.7	54.9	67.5	69.0	67.2				
1980	83.1	84.2	88.5	88.4	62.3	97.4	81.5	69.0	74.9	75.4	74.8				
1981	93.2	93.8	93.9	93.7	76.9	108.5	89.2	85.6	82.9	83.7	82.8				
1982	97.0	97.1	97.5	97.4	88.8	102.8	96.0	94.9	92.5	92.3	92.6				
1983	99.3	99.3	99.9	99.9	98.7	99.4	100.3	99.5	100.6	100.2	100.7				
1984	103.7	103.6	102.6	102.8	112.5	97.9	103.8	105.7	106.8	107.5	106.7				
1985	106.4	106.2	106.1	106.1	113.7	98.7	106.8	110.5	113.5	115.2	113.2				
1986	102.3	101.2	110.6	110.6	108.8	77.1	110.3	117.0	122.0	122.8	121.9				
1987	105.4	104.2	114.4	114.6	113.1	80.2	114.8	121.1	130.1	131.0	130.0				
1988	108.7	107.6	116.5	116.9	118.0	80.9	119.7	123.3	138.6	139.9	138.3				
1989	114.1	112.9	119.2	119.2	120.4	88.5	124.9	129.5	149.3	150.8	148.9				
1990	120.5	118.8	121.4	121.0	117.6	101.2	130.1	142.6	162.8	163.4	162.7				
1991	123.8	121.9	126.0	125.3	118.1	99.4	136.0	148.9	177.0	176.8	177.1				
1992	126.5	124.6	129.2	128.4	123.2	99.0	141.3	151.4	190.1	188.1	190.5				
1993	130.4	127.5	132.7	131.5	133.9	98.0	145.9	167.0	201.4	195.0	202.9				
1994	134.3	131.4	137.6	136.0	141.7	98.5	150.2	172.0	211.0	200.7	213.4				
1995	139.1	136.3	141.0	139.0	156.5	100.0	154.0	175.9	220.5	204.5	224.2				
1996	143.0	140.0	143.7	141.4	157.0	106.3	158.4	181.9	228.2	210.4	232.4				
1997	144.3	141.0	144.3	141.7	151.1	106.2	162.7	186.7	234.6	215.3	239.1				
1998 ⁴	141.6	137.9	143.4	140.7	150.6	92.2	167.1	190.3	242.1	221.8	246.8				
1999 ⁵	144.4	140.5	142.9	139.6	152.0	100.7	171.9	197.7	250.6	230.7	255.1				
1999: Jan ⁵	140.4	136.7	144.4	141.4	150.6	85.0	169.8	190.4	246.6	225.9	251.3				
Feb	139.8	135.9	143.8	140.8	148.3	83.6	170.4	193.1	247.7	226.8	252.6				
Mar	140.6	136.4	143.4	140.3	147.4	86.3	170.6	198.8	248.3	227.7	253.1				
Apr	144.3	140.1	143.3	140.1	148.3	100.9	170.9	201.4	249.1	229.3	253.5				
May	144.2	140.2	142.9	139.6	149.6	101.4	171.3	198.4	249.5	229.4	254.0				
June	143.4	139.7	142.5	139.1	150.9	99.2	171.7	192.6	250.2	230.5	254.6				
July	144.7	140.6	142.0	138.6	152.3	102.5	172.1	200.8	251.1	231.7	255.5				
Aug	145.7	141.9	141.4	138.0	153.8	107.8	172.1	197.1	251.9	232.5	256.2				
Sept	146.5	142.9	141.6	138.2	155.7	110.3	172.8	194.7	252.3	233.1	256.6				
Oct	147.3	143.3	142.3	138.8	156.4	110.0	173.2	201.5	252.8	233.2	257.1				
Nov	147.6	143.6	143.1	139.6	156.1	109.3	173.6	202.2	253.3	233.7	257.7				
Dec	148.3	144.4	143.6	140.1	155.0	112.2	173.8	201.2	254.2	234.6	258.5				
2000: Jan	148.3	144.4	143.3	140.0	153.9	112.6	174.6	199.5	255.5	235.2	260.1				
Feb	149.7	145.6	143.0	139.8	153.0	118.1	175.2	204.2	257.0	235.5	262.0				
Mar	153.4	149.2	143.3	140.0	153.0	131.7	175.7	209.8	258.1	236.3	263.2				
Apr	152.9	148.7	143.5	140.2	154.0	128.7	175.9	209.2	258.8	237.0	263.9				
May	153.1	148.8	143.3	140.0	155.4	128.3	176.3	210.4	259.4	237.5	264.4				
June	155.7	151.4	142.9	139.6	155.7	139.0	176.8	212.6	260.5	238.2	265.6				
July	155.0	150.6	142.5	139.3	155.3	136.1	177.2	213.7	261.4	238.6	266.7				
Aug	153.2	148.6	141.9	138.7	155.2	128.4	178.2	215.7	262.6	239.2	268.0				
Sept	154.7	150.4	141.4	138.3	156.2	135.2	178.7	213.0	263.1	239.4	268.7				
Oct	154.4	150.4	141.6	138.6	157.9	133.1	179.4	208.0	263.7	239.6	269.4				
Nov	155.2	151.1	142.7	139.6	159.3	133.0	179.9	209.1	264.1	240.0	269.8				

⁴ See footnote 4, Table B-60.

⁵ See footnote 5, Table B-60.

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-62.—*Consumer price indexes for commodities, services, and special groups, 1958–2000*
[For all urban consumers; 1982-84=100, except as noted]

Year or month	Commodities			Services		Special indexes				CPI-U-X1 (all items) (Dec. 1982=97.6) ¹	CPI-U-RS (Dec. 1977=100) ²	
	All items (CPI-U)	All commodities	Commodities less food	All services	Services less medical care services	All items less food	All items less energy	All items less food and energy	All items less medical care		All items	All items less food and energy
1958	28.9	33.3	35.3	22.6	23.6	28.6	29.7	29.6	29.5	31.4	.....	.....
1959	29.1	33.3	35.8	23.3	24.2	29.2	29.9	30.2	29.8	31.6	.....	.....
1960	29.6	33.6	36.0	24.1	25.0	29.7	30.4	30.6	30.2	32.2	.....	.....
1961	29.9	33.8	36.1	24.5	25.4	30.0	30.7	31.0	30.5	32.5	.....	.....
1962	30.2	34.1	36.3	25.0	25.9	30.3	31.1	31.4	30.8	32.8	.....	.....
1963	30.6	34.4	36.6	25.5	26.3	30.7	31.5	31.8	31.1	33.3	.....	.....
1964	31.0	34.8	36.9	26.0	26.8	31.1	32.0	32.3	31.5	33.7	.....	.....
1965	31.5	35.2	37.2	26.6	27.4	31.6	32.5	32.7	32.0	34.2	.....	.....
1966	32.4	36.1	37.7	27.6	28.3	32.3	33.5	33.5	33.0	35.2	.....	.....
1967	33.4	36.8	38.6	28.8	29.3	33.4	34.4	34.7	33.7	36.3	.....	.....
1968	34.8	38.1	40.0	30.3	30.8	34.9	35.9	36.3	35.1	37.7	.....	.....
1969	36.7	39.9	41.7	32.4	32.9	36.8	38.0	38.4	37.0	39.4	.....	.....
1970	38.8	41.7	43.4	35.0	35.6	39.0	40.3	40.8	39.2	41.3	.....	.....
1971	40.5	43.2	45.1	37.0	37.5	40.8	42.0	42.7	40.8	43.1	.....	.....
1972	41.8	44.5	46.1	38.4	38.9	42.0	43.4	44.0	42.1	44.4	.....	.....
1973	44.4	47.8	47.7	40.1	40.6	43.7	46.1	45.6	44.8	47.2	.....	.....
1974	49.3	53.5	52.8	43.8	44.3	48.0	50.6	49.4	49.8	51.9	.....	.....
1975	53.8	58.2	57.6	48.0	48.3	52.5	55.1	53.9	54.3	56.2	.....	.....
1976	56.9	60.7	60.5	52.0	52.2	56.0	58.2	57.4	57.2	59.4	.....	.....
1977	60.6	64.2	63.8	56.0	55.9	59.6	61.9	61.0	60.8	63.2	.....	.....
1978	65.2	68.8	67.5	60.8	60.7	63.9	66.7	65.5	65.4	67.5	104.3	103.5
1979	72.6	76.6	75.3	67.5	67.5	71.2	73.4	71.9	72.9	74.0	114.1	110.7
1980	82.4	86.0	85.7	77.9	78.2	81.5	81.9	80.8	82.8	82.3	126.8	120.4
1981	90.9	93.2	93.1	88.1	88.7	90.4	90.1	89.2	91.4	90.1	138.7	131.5
1982	96.5	97.0	96.9	96.0	96.4	96.3	96.1	95.8	96.8	95.6	146.9	141.4
1983	99.6	99.8	100.0	99.4	99.2	99.7	99.6	99.6	99.6	99.6	152.9	149.1
1984	103.9	103.2	103.1	104.6	104.4	104.0	104.3	104.6	103.7	103.9	159.1	156.3
1985	107.6	105.4	105.2	109.9	109.6	108.0	108.4	109.1	107.2	107.6	164.4	163.0
1986	109.6	104.4	101.7	115.4	114.6	109.8	112.6	113.5	108.8	109.6	167.4	169.6
1987	113.6	107.7	104.3	120.2	119.1	113.6	117.2	118.2	112.6	113.6	173.1	176.2
1988	118.3	111.5	107.7	125.7	124.3	118.3	122.3	123.4	117.0	118.3	179.4	183.2
1989	124.0	116.7	112.0	131.9	130.1	123.7	128.1	129.0	122.4	124.0	187.2	190.6
1990	130.7	122.8	117.4	139.2	136.8	130.3	134.7	135.5	128.8	130.7	196.6	199.4
1991	136.2	126.6	121.3	146.3	143.3	136.1	140.9	142.1	133.8	136.2	203.8	208.1
1992	140.3	129.1	124.2	152.0	148.4	140.8	145.4	147.3	137.5	140.3	209.2	214.8
1993	144.5	131.5	126.3	157.9	153.6	145.1	150.0	152.2	141.2	144.5	214.6	221.1
1994	148.2	133.8	127.9	163.1	158.4	149.0	154.1	156.5	144.7	148.2	219.3	226.5
1995	152.4	136.4	129.8	168.7	163.5	153.1	158.7	161.2	148.6	152.4	224.8	232.5
1996	156.9	139.9	132.6	174.1	168.7	157.5	163.1	165.6	152.8	156.9	231.0	238.4
1997	160.5	141.8	133.4	179.4	173.9	161.1	167.1	169.5	156.3	160.5	236.0	243.7
1998	163.0	141.9	132.0	184.2	178.4	163.4	170.9	173.4	158.6	163.0	239.2	249.0
1999	166.6	144.4	134.0	188.8	182.7	167.0	174.4	177.0	162.0	166.6	244.2	253.9
1999: Jan ³	164.3	142.5	131.4	186.3	180.3	164.5	172.9	175.3	159.8	164.3	240.9	251.4
Feb	164.5	142.2	131.1	186.9	180.9	164.7	173.2	175.7	160.0	164.5	241.2	252.1
Mar	165.0	142.6	131.7	187.6	181.5	165.3	173.7	176.2	160.5	165.0	242.0	252.8
Apr	166.2	144.6	134.6	187.8	181.8	166.7	174.2	176.8	161.6	166.2	243.6	253.6
May	166.2	144.5	134.3	187.9	181.8	166.6	174.1	176.6	161.6	166.2	243.6	253.4
June	166.2	143.9	133.4	188.6	182.6	166.7	174.0	176.6	161.6	166.2	243.7	253.3
July	166.7	143.9	133.4	189.5	183.4	167.2	174.3	176.9	162.0	166.7	244.4	253.7
Aug	167.1	144.5	134.0	189.9	183.8	167.7	174.5	177.1	162.5	167.1	245.1	254.0
Sept	167.9	145.8	135.8	190.1	183.9	168.5	175.1	177.7	163.2	167.9	246.1	255.0
Oct	168.2	146.4	136.3	190.2	184.1	168.8	175.7	178.3	163.6	168.2	246.7	255.8
Nov	168.3	146.2	136.1	190.5	184.3	168.8	175.8	178.4	163.6	168.3	246.7	256.0
Dec	168.3	146.1	135.9	190.5	184.3	168.8	175.7	178.2	163.6	168.3	246.7	255.7
2000: Jan	168.8	146.2	135.6	191.6	185.3	169.3	176.3	178.8	164.1	168.8	247.4	256.6
Feb	169.8	147.4	137.2	192.4	186.0	170.5	176.9	179.5	165.0	169.8	248.9	257.6
Mar	171.2	149.2	139.9	193.3	186.9	172.0	177.8	180.5	166.4	171.2	251.0	259.0
Apr	171.3	149.3	139.9	193.5	187.1	172.2	178.1	180.9	166.5	171.3	251.1	259.6
May	171.5	149.2	139.4	193.8	187.4	172.2	178.2	180.9	166.6	171.5	251.4	259.6
June	172.4	149.7	140.1	195.3	188.9	173.3	178.3	181.0	167.6	172.4	252.7	259.7
July	172.8	149.3	139.2	196.3	189.9	173.6	178.7	181.3	167.9	172.8	253.3	260.1
Aug	172.8	148.6	138.0	197.0	190.5	173.5	179.1	181.7	167.9	172.8	253.3	260.7
Sept	173.7	150.3	140.3	197.2	190.7	174.6	179.6	182.3	168.8	173.7	254.6	261.6
Oct	174.0	150.4	140.4	197.6	191.1	174.9	180.1	182.8	169.1	174.0	255.1	262.3
Nov	174.1	150.6	140.8	197.6	191.1	175.0	180.3	183.0	169.2	174.1	255.2	262.6

¹ CPI-U-X1 is a rental equivalence approach to homeowners' costs for the consumer price index for years prior to 1983, the first year for which the official index (CPI-U) incorporates such a measure. CPI-U-X1 is rebased to the December 1982 value of the CPI-U (1982-84=100); thus it is identical with CPI-U data for December 1982 and all subsequent periods. Data prior to 1967 estimated by moving the series at the same rate as the CPI-U for each year.

² CPI research series using current methods (CPI-U-RS) introduced in June 1999. Data for 2000 are preliminary.

³ See footnote 5, Table B-60.

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-63.—*Changes in special consumer price indexes, 1960–2000*

[For all urban consumers; percent change]

Year or month	All items (CPI-U)		All items less food		All items less energy		All items less food and energy		All items less medical care	
	Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year
1960	1.4	1.7	1.0	1.7	1.3	1.7	1.0	1.3	1.3	1.3
1961 .....	.7	1.0	1.3	1.0	.7	1.0	1.3	1.3	.3	1.0
1962	1.3	1.0	1.0	1.0	1.3	1.3	1.3	1.3	1.3	1.0
1963	1.6	1.3	1.6	1.3	1.9	1.3	1.6	1.3	1.6	1.0
1964	1.0	1.3	1.0	1.3	1.3	1.6	1.2	1.6	1.0	1.3
1965	1.9	1.6	1.6	1.6	1.9	1.6	1.5	1.2	1.9	1.6
1966	3.5	2.9	3.5	2.2	3.4	3.1	3.3	2.4	3.4	3.1
1967	3.0	3.1	3.3	3.4	3.2	2.7	3.8	3.6	2.7	2.1
1968	4.7	4.2	5.0	4.5	4.9	4.4	5.1	4.6	4.7	4.2
1969	6.2	5.5	5.6	5.4	6.5	5.8	6.2	5.8	6.1	5.4
1970	5.6	5.7	6.6	6.0	5.4	6.1	6.6	6.3	5.2	5.9
1971	3.3	4.4	3.0	4.6	3.4	4.2	3.1	4.7	3.2	4.1
1972	3.4	3.2	2.9	2.9	3.5	3.3	3.0	3.0	3.4	3.2
1973	8.7	6.2	5.6	4.0	8.2	6.2	4.7	3.6	9.1	6.4
1974	12.3	11.0	12.2	9.8	11.7	9.8	11.1	8.3	12.2	11.2
1975	6.9	9.1	7.3	9.4	6.6	8.9	6.7	9.1	6.7	9.0
1976	4.9	5.8	6.1	6.7	4.8	5.6	6.1	6.5	4.5	5.3
1977	6.7	6.5	6.4	6.4	6.7	6.4	6.5	6.3	6.7	6.3
1978	9.0	7.6	8.3	7.2	9.1	7.8	8.5	7.4	9.1	7.6
1979	13.3	11.3	14.0	11.4	11.1	10.0	11.3	9.8	13.4	11.5
1980	12.5	13.5	13.0	14.5	11.7	11.6	12.2	12.4	12.5	13.6
1981	8.9	10.3	9.8	10.9	8.5	10.0	9.5	10.4	8.8	10.4
1982	3.8	6.2	4.1	6.5	4.2	6.7	4.5	7.4	3.6	5.9
1983	3.8	3.2	4.1	3.5	4.5	3.6	4.8	4.0	3.6	2.9
1984	3.9	4.3	3.9	4.3	4.4	4.7	4.7	5.0	3.9	4.1
1985	3.8	3.6	4.1	3.8	4.0	3.9	4.3	4.3	3.5	3.4
1986	1.1	1.9	.5	1.7	3.8	3.9	3.8	4.0	.7	1.5
1987	4.4	3.6	4.6	3.5	4.1	4.1	4.2	4.1	4.3	3.5
1988	4.4	4.1	4.2	4.1	4.7	4.4	4.7	4.4	4.2	3.9
1989	4.6	4.8	4.5	4.6	4.6	4.7	4.4	4.5	4.5	4.6
1990	6.1	5.4	6.3	5.3	5.2	5.2	5.2	5.0	5.9	5.2
1991	3.1	4.2	3.3	4.5	3.9	4.6	4.4	4.9	2.7	3.9
1992	2.9	3.0	3.2	3.5	3.0	3.2	3.3	3.7	2.7	2.8
1993	2.7	3.0	2.7	3.1	3.1	3.2	3.2	3.3	2.6	2.7
1994	2.7	2.6	2.6	2.7	2.6	2.7	2.6	2.8	2.5	2.5
1995	2.5	2.8	2.7	2.8	2.9	3.0	3.0	3.0	2.5	2.7
1996	3.3	3.0	3.1	2.9	2.9	2.8	2.6	2.7	3.3	2.8
1997	1.7	2.3	1.8	2.3	2.1	2.5	2.2	2.4	1.6	2.3
1998	1.6	1.6	1.5	1.4	2.4	2.3	2.4	2.3	1.5	1.5
1999	2.7	2.2	2.8	2.2	2.0	2.0	1.9	2.1	2.6	2.1
Percent change from preceding month										
	Unad- justed	Sea- sonally ad- justed	Unad- justed	Sea- sonally ad- justed	Unad- justed	Sea- sonally ad- justed	Unad- justed	Sea- sonally ad- justed	Unad- justed	Sea- sonally ad- justed
1999: Jan	0.2	0.2	0.2	0.1	0.3	0.2	0.3	0.2	0.3	0.1
Feb .....	.1	.1	.1	.1	.2	0	.2	0	.1	.1
Mar .....	.3	.2	.4	.2	.3	.1	.3	.2	.3	.7
Apr .....	.7	.7	.8	.8	.3	.3	.3	.3	.7	.1
May	0	0	-.1	0	-.1	.1	-.1	.1	0	0
June	0	0	.1	0	-.1	.1	0	.1	0	-.1
July .....	.3	.3	.3	.4	.2	.2	.2	.2	.2	.4
Aug .....	.2	.3	.3	.2	.1	.1	.1	.1	.3	.2
Sept .....	.5	.4	.5	.4	.3	.3	.3	.3	.4	.4
Oct .....	.2	.2	.2	.2	.3	.2	.3	.2	.2	.2
Nov .....	.1	.2	0	.2	.1	.2	.1	.2	0	.2
Dec	0	.2	0	.2	-.1	.1	-.1	.1	0	.2
2000: Jan .....	.3	.2	.3	.3	.3	.2	.3	.2	.3	.2
Feb .....	.6	.5	.7	.5	.3	.2	.4	.2	.5	.7
Mar .....	.8	.7	.9	.8	.5	.4	.6	.4	.8	.1
Apr .....	.1	0	.1	0	.2	.1	.2	.2	.1	0
May .....	.1	.1	0	0	.1	.3	0	.2	.1	.1
June .....	.5	.5	.6	.6	.1	.1	.1	.2	.6	.5
July .....	.2	.2	.2	.2	.2	.3	.2	.2	.2	.2
Aug	0	-.1	-.1	-.1	.2	.2	.2	.2	0	-.1
Sept .....	.5	.5	.6	.5	.3	.2	.3	.3	.5	.5
Oct .....	.2	.2	.2	.2	.3	.2	.3	.2	.2	.2
Nov .....	.1	.2	.1	.3	.1	.2	.1	.3	.1	.2

¹ Changes from December to December are based on unadjusted indexes.

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-64.—*Changes in consumer price indexes for commodities and services, 1929–1999*

[For all urban consumers; percent change]

Year	All items (CPI-U)		Commodities				Services				Medical care ²		Energy ³	
	Dec. to Dec. ¹	Year to year	Total		Food		Total		Medical care		Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year
			Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year	Dec. to Dec. ¹	Year to year				
1929	0.6	0	.....	.....	2.5	1.2	.....	.....	.....	.....	.....	.....	.....	.....
1933 .....	.8	-5.1	.....	.....	6.9	-2.8	.....	.....	.....	.....	.....	.....	.....	.....
1939	0	-1.4	-0.7	-2.0	-2.5	-2.5	0	0	1.2	1.2	1.0	0	.....	.....
1940 .....	.7	.7	1.4	.7	2.5	1.7	.8	.8	0	0	0	1.0	.....	.....
1941	9.9	5.0	13.3	6.7	15.7	9.2	2.4	.8	1.2	0	1.0	0	.....	.....
1942	9.0	10.9	12.9	14.5	17.9	17.6	2.3	3.1	3.5	3.5	3.8	2.9	.....	.....
1943	3.0	6.1	4.2	9.3	3.0	11.0	2.3	2.3	5.6	4.5	4.6	4.7	.....	.....
1944	2.3	1.7	2.0	1.0	0	-1.2	2.2	2.2	3.2	4.3	2.6	3.6	.....	.....
1945	2.2	2.3	2.9	3.0	3.5	2.4	.7	1.5	3.1	3.1	2.6	2.6	.....	.....
1946	18.1	8.3	24.8	10.6	31.3	14.5	3.6	1.4	9.0	5.1	8.3	5.0	.....	.....
1947	8.8	14.4	10.3	20.5	11.3	21.7	5.6	4.3	6.4	8.7	6.9	8.0	.....	.....
1948	3.0	8.1	1.7	7.2	-8	8.3	5.9	6.1	6.9	7.1	5.8	6.7	.....	.....
1949	-2.1	-1.2	-4.1	-2.7	-3.9	-4.2	3.7	5.1	1.6	3.3	1.4	2.8	.....	.....
1950	5.9	1.3	7.8	.7	9.8	1.6	3.6	3.0	4.0	2.4	3.4	2.0	.....	.....
1951	6.0	7.9	5.9	9.0	7.1	11.0	5.2	5.3	5.3	4.7	5.8	5.3	.....	.....
1952 .....	.8	1.9	-9	1.3	-1.0	1.8	4.4	4.5	5.8	6.7	4.3	5.0	.....	.....
1953 .....	.7	.8	-3	-3	-1.1	-1.4	4.2	4.3	3.4	3.5	3.5	3.6	.....	.....
1954	-7	.7	-1.6	-9	-1.8	-4	2.0	3.1	2.6	3.4	2.3	2.9	.....	.....
1955 .....	.4	-4	-3	-9	-7	-1.4	2.0	2.0	3.2	2.6	3.3	2.2	.....	.....
1956	3.0	1.5	2.6	1.0	2.9	.7	3.4	2.5	3.8	3.8	3.2	3.8	.....	.....
1957	2.9	3.3	2.8	3.2	2.8	3.2	4.2	4.3	4.8	4.3	4.7	4.2	.....	.....
1958	1.8	2.8	1.2	2.1	2.4	4.5	2.7	3.7	4.6	5.3	4.5	4.6	-0.9	0
1959	1.7	.7	.6	0	-1.0	-1.7	3.9	3.1	4.9	4.5	3.8	4.4	4.7	1.9
1960	1.4	1.7	1.2	.9	3.1	1.0	2.5	3.4	3.7	4.3	3.2	3.7	1.3	2.3
1961 .....	.7	1.0	0	.6	-7	1.3	2.1	1.7	3.5	3.6	3.1	2.7	-1.3	.4
1962	1.3	1.0	.9	.9	1.3	.7	1.6	2.0	2.9	3.5	2.2	2.6	2.2	4
1963	1.6	1.3	1.5	.9	2.0	1.6	2.4	2.0	2.8	2.9	2.5	2.6	-9	0
1964	1.0	1.3	.9	1.2	1.3	1.3	1.6	2.0	2.3	2.3	2.1	2.1	0	-4
1965	1.9	1.6	1.4	1.1	3.5	2.2	2.7	2.3	3.6	3.2	2.8	2.4	1.8	1.8
1966	3.5	2.9	2.5	2.6	4.0	5.0	4.8	3.8	8.3	5.3	6.7	4.4	1.7	1.7
1967	3.0	3.1	2.5	1.9	1.2	.9	4.3	4.3	8.0	8.8	6.3	7.2	1.7	2.1
1968	4.7	4.2	4.0	3.5	4.4	3.5	5.8	5.2	7.1	7.3	6.2	6.0	1.7	1.7
1969	6.2	5.5	5.4	4.7	7.0	5.1	7.7	6.9	7.3	8.2	6.2	6.7	2.9	2.5
1970	5.6	5.7	3.9	4.5	2.3	5.7	8.1	8.0	8.1	7.0	7.4	6.6	4.8	2.8
1971	3.3	4.4	2.8	3.6	4.3	3.1	4.1	5.7	5.4	7.4	4.6	6.2	3.1	3.9
1972	3.4	3.2	3.4	3.0	4.6	4.2	3.4	3.8	3.7	3.5	3.3	3.3	2.6	2.6
1973	8.7	6.2	10.4	7.4	20.3	14.5	6.2	4.4	6.0	4.5	5.3	4.0	17.0	8.1
1974	12.3	11.0	12.8	11.9	12.0	14.3	11.4	9.2	13.2	10.4	12.6	9.3	21.6	29.6
1975	6.9	9.1	6.2	8.8	6.6	8.5	8.2	9.6	10.3	12.6	9.8	12.0	11.4	10.5
1976	4.9	5.8	3.3	4.3	.5	3.0	7.2	8.3	10.8	10.1	10.0	9.5	7.1	7.1
1977	6.7	6.5	6.1	5.8	8.1	6.3	8.0	7.7	9.0	9.9	8.9	9.6	7.2	9.5
1978	9.0	7.6	8.8	7.2	11.8	9.9	9.3	8.6	9.3	8.5	8.8	8.4	7.9	6.3
1979	13.3	11.3	13.0	11.3	10.2	11.0	13.6	11.0	10.5	9.8	10.1	9.2	37.5	25.1
1980	12.5	13.5	11.0	12.3	10.2	8.6	14.2	15.4	10.1	11.3	9.9	11.0	18.0	30.9
1981	8.9	10.3	6.0	8.4	4.3	7.8	13.0	13.1	12.6	10.7	12.5	10.7	11.9	13.6
1982	3.8	6.2	3.6	4.1	3.1	4.1	4.3	9.0	11.2	11.8	11.0	11.6	1.3	1.5
1983	3.8	3.2	2.9	2.9	2.7	2.1	4.8	3.5	6.2	8.7	6.4	8.8	-5	.7
1984	3.9	4.3	2.7	3.4	3.8	3.8	5.4	5.2	5.8	6.0	6.1	6.2	.2	1.0
1985	3.8	3.6	2.5	2.1	2.6	2.3	5.1	5.1	6.8	6.1	6.8	6.3	1.8	.7
1986	1.1	1.9	-2.0	-9	3.8	3.2	4.5	5.0	7.9	7.7	7.7	7.5	-19.7	-13.2
1987	4.4	3.6	4.6	3.2	3.5	4.1	4.3	4.2	5.6	6.6	5.8	6.6	8.2	.5
1988	4.4	4.1	3.8	3.5	5.2	4.1	4.8	4.6	6.9	6.4	6.9	6.5	.5	.8
1989	4.6	4.8	4.1	4.7	5.6	5.8	5.1	4.9	8.6	7.7	8.5	7.7	5.1	5.6
1990	6.1	5.4	6.6	5.2	5.3	5.8	5.7	5.5	9.9	9.3	9.6	9.0	18.1	8.3
1991	3.1	4.2	1.2	3.1	1.9	2.9	4.6	5.1	8.0	8.9	7.9	8.7	-7.4	.4
1992	2.9	3.0	2.0	2.0	1.5	1.2	3.6	3.9	7.0	7.6	6.6	7.4	2.0	.5
1993	2.7	3.0	1.5	1.9	2.9	2.2	3.8	3.9	5.9	6.5	5.4	5.9	-1.4	1.2
1994	2.7	2.6	2.3	1.7	2.9	2.4	2.9	3.3	5.4	5.2	4.9	4.8	2.2	.4
1995	2.5	2.8	1.4	1.9	2.1	2.8	3.5	3.4	4.4	5.1	3.9	4.5	-1.3	.6
1996	3.3	3.0	3.2	2.6	4.3	3.3	3.3	3.2	3.2	3.7	3.0	3.5	8.6	4.7
1997	1.7	2.3	.2	1.4	1.5	2.6	2.8	3.0	2.9	2.9	2.8	2.8	-3.4	1.3
1998	1.6	1.6	.4	.1	2.3	2.2	2.6	2.7	3.2	3.2	3.4	3.2	-8.8	-7.7
1999	2.7	2.2	2.7	1.8	1.9	2.1	2.6	2.5	3.6	3.4	3.7	3.5	13.4	3.6

¹ Changes from December to December are based on unadjusted indexes.² Commodities and services.³ Household fuels—gas (piped), electricity, fuel oil, etc.—and motor fuel. Motor oil, coolant, etc. also included through 1982.

Note.—See Note, Table B-60.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-65.—*Producer price indexes by stage of processing, 1954–2000*
[1982=100]

Year or month	Finished goods										
	Total finished goods	Consumer foods			Finished goods excluding consumer foods					Total finished consumer goods	
		Total	Crude	Proc- essed	Total	Consumer goods			Capital equipment		
						Total	Durable	Non- durable			
1954	30.4	34.2	37.5	34.0	.....	31.1	39.8	26.7	26.7	31.7
1955	30.5	33.4	39.1	32.7	.....	31.3	40.2	26.8	27.4	31.5
1956	31.3	33.3	39.1	32.7	.....	32.1	41.6	27.3	29.5	32.0
1957	32.5	34.4	38.5	34.1	.....	32.9	42.8	27.9	31.3	32.9
1958	33.2	36.5	41.0	36.1	.....	32.9	43.4	27.8	32.1	33.6
1959	33.1	34.8	37.3	34.7	.....	33.3	43.9	28.2	32.7	33.3
1960	33.4	35.5	39.8	35.2	.....	33.5	43.8	28.4	32.8	33.6
1961	33.4	35.4	38.0	35.3	.....	33.4	43.6	28.4	32.9	33.6
1962	33.5	35.7	38.4	35.6	.....	33.4	43.4	28.4	33.0	33.7
1963	33.4	35.3	37.8	35.2	.....	33.4	43.1	28.5	33.1	33.5
1964	33.5	35.4	38.9	35.2	.....	33.3	43.3	28.4	33.4	33.6
1965	34.1	36.8	39.0	36.8	.....	33.6	43.2	28.8	33.8	34.2
1966	35.2	39.2	41.5	39.2	.....	34.1	43.4	29.3	34.6	35.4
1967	35.6	38.5	39.6	38.8	35.0	34.7	44.1	30.0	35.8	35.6	
1968	36.6	40.0	42.5	40.0	35.9	35.5	45.1	30.6	37.0	36.5	
1969	38.0	42.4	45.9	42.3	36.9	36.3	45.9	31.5	38.3	37.9	
1970	39.3	43.8	46.0	43.9	38.2	37.4	47.2	32.5	40.1	39.1	
1971	40.5	44.5	45.8	44.7	39.6	38.7	48.9	33.5	41.7	40.2	
1972	41.8	46.9	48.0	47.2	40.4	39.4	50.0	34.1	42.8	41.5	
1973	45.6	56.5	63.6	55.8	42.0	41.2	50.9	36.1	44.2	46.0	
1974	52.6	64.4	71.6	63.9	48.8	48.2	55.5	44.0	50.5	53.1	
1975	58.2	69.8	71.7	70.3	54.7	53.2	61.0	48.9	58.2	58.2	
1976	60.8	69.6	76.7	69.0	58.1	56.5	63.7	52.4	62.1	60.4	
1977	64.7	73.3	79.5	72.7	62.2	60.6	67.4	56.8	66.1	64.3	
1978	69.8	79.9	85.8	79.4	66.7	64.9	73.6	60.0	71.3	69.4	
1979	77.6	87.3	92.3	86.8	74.6	73.5	80.8	69.3	77.5	77.5	
1980	88.0	92.4	93.9	92.3	86.7	87.1	91.0	85.1	85.8	88.6	
1981	96.1	97.8	104.4	97.2	95.6	96.1	96.4	95.8	94.6	96.6	
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
1983	101.6	101.0	102.4	100.9	101.8	101.2	102.8	100.5	102.8	101.3	
1984	103.7	105.4	111.4	104.9	103.2	102.2	104.5	101.1	105.2	103.3	
1985	104.7	104.6	102.9	104.8	104.6	103.3	106.5	101.7	107.5	103.8	
1986	103.2	107.3	105.6	107.4	101.9	98.5	108.9	93.3	109.7	101.4	
1987	105.4	109.5	107.1	109.6	104.0	100.7	111.5	94.9	111.7	103.6	
1988	108.0	112.6	109.8	112.7	106.5	103.1	113.8	97.3	114.3	106.2	
1989	113.6	118.7	119.6	118.6	111.8	108.9	117.6	103.8	118.8	112.1	
1990	119.2	124.4	123.0	124.4	117.4	115.3	120.4	111.5	122.9	118.2	
1991	121.7	124.1	119.3	124.4	120.9	118.7	123.9	115.0	126.7	120.5	
1992	123.2	123.3	107.6	124.4	123.1	120.8	125.7	117.3	129.1	121.7	
1993	124.7	125.7	114.4	126.5	124.4	121.7	128.0	117.6	131.4	123.0	
1994	125.5	126.8	111.3	127.9	125.1	121.6	130.9	116.2	134.1	123.3	
1995	127.9	129.0	118.8	129.8	127.5	124.0	132.7	118.8	136.7	125.6	
1996	131.3	133.6	129.2	133.8	130.5	127.6	134.2	123.3	138.3	129.5	
1997	131.8	134.5	126.6	135.1	130.9	128.2	133.7	124.3	138.2	130.2	
1998	130.7	134.3	127.2	134.8	129.5	126.4	132.9	122.2	137.6	128.9	
1999	133.0	135.1	125.5	135.9	132.3	130.5	133.0	127.9	137.6	132.0	
1999: Jan	131.4	135.6	134.2	135.6	130.0	127.1	133.3	122.9	137.8	129.7	
Feb	130.8	134.1	122.6	135.0	129.7	126.6	133.5	122.2	138.0	129.0	
Mar	131.1	134.7	130.5	135.0	129.9	127.0	133.1	122.9	137.7	129.4	
Apr	131.9	133.4	128.4	133.8	131.3	129.0	133.1	125.7	137.8	130.4	
May	132.4	134.5	126.5	135.2	131.6	129.6	132.8	126.6	137.6	131.2	
June	132.7	135.1	126.4	135.8	131.8	130.0	132.3	127.5	137.2	131.7	
July	132.9	134.6	121.7	135.6	132.3	130.8	131.7	128.9	137.0	132.1	
Aug	133.7	135.9	123.8	136.8	133.0	131.9	131.6	130.4	136.9	133.2	
Sept	134.7	136.7	126.7	137.5	134.0	133.5	131.2	132.8	136.7	134.6	
Oct	135.1	135.8	120.2	137.1	134.7	133.7	134.9	131.5	138.5	134.5	
Nov	134.9	135.4	119.2	136.6	134.7	133.6	134.6	131.6	138.3	134.3	
Dec	134.9	135.6	126.3	136.3	134.6	133.6	134.4	131.7	138.3	134.3	
2000: Jan	134.7	135.0	117.9	136.4	134.5	133.3	134.1	131.4	138.4	133.9	
Feb	136.0	136.0	124.0	136.9	135.9	135.4	133.9	134.3	138.5	135.7	
Mar	136.8	136.0	119.0	137.3	136.9	136.8	133.8	136.4	138.5	136.7	
Apr	136.7	137.3	126.0	138.2	136.4	136.0	133.9	135.3	138.5	136.5	
May	137.3	138.2	125.9	139.2	137.0	136.9	133.8	136.5	138.6	137.4	
June	138.6	137.6	116.6	139.2	138.8	139.6	133.4	140.5	138.5	139.1	
July ¹	138.6	137.5	115.5	139.3	138.8	139.5	133.1	140.5	138.6	139.0	
Aug	138.1	136.9	118.3	138.4	138.4	139.0	132.7	139.9	138.4	138.5	
Sept	139.2	137.1	124.3	138.2	139.6	140.8	132.5	142.7	138.4	139.9	
Oct	140.0	137.8	132.6	138.2	140.5	141.5	135.1	142.4	139.8	140.5	
Nov	139.9	138.1	134.4	138.4	140.3	141.2	135.0	142.1	139.8	140.4	

¹ Data have been revised through July 2000 to reflect the availability of late reports and corrections by respondents. All data are subject to revision 4 months after original publication.

See next page for continuation of table.

TABLE B-65.—*Producer price indexes by stage of processing, 1954–2000—Continued*
[1982=100]

Year or month	Intermediate materials, supplies, and components								Crude materials for further processing				
	Total	Foods and feeds ²	Other	Materials and components		Proc- essed fuels and lubri- cants	Con- tainers	Supplies	Total	Food- stuffs and feed- stuffs	Other		
				For manufac- turing	For construc- tion						Total	Fuel	Other
1954	27.9	.....	27.2	29.8	29.1	15.8	28.5	31.7	31.6	42.3	.....	8.9	26.1
1955	28.4	.....	28.0	30.5	30.3	15.8	28.9	31.2	30.4	38.4	.....	8.9	27.5
1956	29.6	.....	29.3	32.0	31.8	16.3	31.0	32.0	30.6	37.6	.....	9.5	28.6
1957	30.3	.....	30.1	32.7	32.0	17.2	32.4	32.3	31.2	39.2	.....	10.1	28.2
1958	30.4	.....	30.1	32.8	32.0	16.2	33.2	33.1	31.9	41.6	.....	10.2	27.1
1959	30.8	.....	30.5	33.3	32.9	16.2	33.0	33.5	31.1	38.8	.....	10.4	28.1
1960	30.8	.....	30.7	33.3	32.7	16.6	33.4	33.3	30.4	38.4	.....	10.5	26.9
1961	30.6	.....	30.3	32.9	32.2	16.8	33.2	33.7	30.2	37.9	.....	10.5	27.2
1962	30.6	.....	30.2	32.7	32.1	16.7	33.6	34.5	30.5	38.6	.....	10.4	27.1
1963	30.7	.....	30.1	32.7	32.2	16.6	33.2	35.0	29.9	37.5	.....	10.5	26.7
1964	30.8	.....	30.3	33.1	32.5	16.2	32.9	34.7	29.6	36.6	.....	10.5	27.2
1965	31.2	.....	30.7	33.6	32.8	16.5	33.5	35.0	31.1	39.2	.....	10.6	27.7
1966	32.0	.....	31.3	34.3	33.6	16.8	34.5	36.5	33.1	42.7	.....	10.9	28.3
1967	32.2	41.8	31.7	34.5	34.0	16.9	35.0	36.8	31.3	40.3	21.1	11.3	26.5
1968	33.0	41.5	32.5	35.3	35.7	16.5	35.9	37.1	31.8	40.9	21.6	11.5	27.1
1969	34.1	42.9	33.6	36.5	37.7	16.6	37.2	37.8	33.9	44.1	22.5	12.0	28.4
1970	35.4	45.6	34.8	38.0	38.3	17.7	39.0	39.7	35.2	45.2	23.8	13.8	29.1
1971	36.8	46.7	36.2	38.9	40.8	19.5	40.8	40.8	36.0	46.1	24.7	15.7	29.4
1972	38.2	49.5	37.7	40.4	43.0	20.1	42.7	42.5	39.9	51.5	27.0	16.8	32.3
1973	42.4	70.3	40.6	44.1	46.5	22.2	45.2	51.7	54.5	72.6	34.3	18.6	42.9
1974	52.5	83.6	50.5	56.0	55.0	33.6	53.3	56.8	61.4	76.4	44.1	24.8	54.5
1975	58.0	81.6	56.6	61.7	60.1	39.4	60.0	61.8	61.6	77.4	43.7	30.6	50.0
1976	60.9	77.4	60.0	64.0	64.1	42.3	63.1	65.8	63.4	76.8	48.2	34.5	54.9
1977	64.9	79.6	64.1	67.4	69.3	47.7	65.9	69.3	65.5	77.5	51.7	42.0	56.3
1978	69.5	84.8	68.6	72.0	76.5	49.9	71.0	72.9	73.4	87.3	57.5	48.2	61.9
1979	78.4	94.5	77.4	80.9	84.2	61.6	79.4	80.2	85.9	100.0	69.6	57.3	75.5
1980	90.3	105.5	89.4	91.7	91.3	85.0	89.1	89.9	95.3	104.6	84.6	69.4	91.8
1981	98.6	104.6	98.2	98.7	97.9	100.6	96.7	96.9	103.0	103.9	101.8	84.8	109.8
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	100.6	103.6	100.5	101.2	102.8	95.4	100.4	101.8	101.3	101.8	100.7	105.1	98.8
1984	103.1	105.7	103.0	104.1	105.6	95.7	105.9	104.1	103.5	104.7	102.2	105.1	101.0
1985	102.7	97.3	103.0	103.3	107.3	92.8	109.0	104.4	95.8	94.8	96.9	102.7	94.3
1986	99.1	96.2	99.3	102.2	108.1	72.7	110.3	105.6	87.7	93.2	81.6	92.2	76.0
1987	101.5	99.2	101.7	105.3	109.8	73.3	114.5	107.7	93.7	96.2	87.9	84.1	88.5
1988	107.1	109.5	106.9	113.2	116.1	71.2	120.1	113.7	96.0	106.1	85.5	82.1	85.9
1989	112.0	113.8	111.9	118.1	121.3	76.4	125.4	118.1	103.1	111.2	93.4	85.3	95.8
1990	114.5	113.3	114.5	118.7	122.9	85.9	127.7	119.4	108.9	113.1	101.5	84.8	107.3
1991	114.4	111.1	114.6	118.1	124.5	85.3	128.1	121.4	101.2	105.5	94.6	82.9	97.5
1992	114.7	110.7	114.9	117.9	126.5	84.5	127.7	122.7	100.4	105.1	93.5	84.0	94.2
1993	116.2	112.7	116.4	118.9	132.0	84.7	126.4	125.0	102.4	108.4	94.7	87.1	94.1
1994	118.5	114.8	118.7	122.1	136.6	83.1	129.7	127.0	101.8	106.5	94.8	82.4	97.0
1995	124.9	114.8	125.5	130.4	142.1	84.2	148.8	132.1	102.7	105.8	96.8	72.1	105.8
1996	125.7	128.1	125.6	128.6	143.6	90.0	141.1	135.9	113.8	121.5	104.5	92.6	105.7
1997	125.6	125.4	125.7	128.3	146.5	89.3	136.0	135.9	111.1	112.2	106.4	101.3	103.5
1998	123.0	116.2	123.4	126.1	146.8	81.1	140.8	134.8	96.8	103.9	88.4	86.7	84.5
1999	123.2	111.1	123.9	124.6	148.9	84.6	142.5	134.2	98.2	98.7	94.3	91.2	91.1
1999: Jan	120.9	114.6	121.2	123.9	146.9	76.1	138.3	134.1	90.1	101.2	79.2	78.3	75.3
Feb	120.4	112.6	120.9	123.5	147.3	74.9	138.0	133.8	88.2	98.2	78.1	78.1	73.5
Mar	120.7	111.0	121.2	123.4	147.8	76.2	138.5	133.7	89.0	98.8	79.1	74.6	77.8
Apr	121.6	109.0	122.3	123.2	148.0	80.6	140.4	133.8	91.1	95.4	84.8	80.0	83.4
May	122.2	109.8	122.9	123.8	148.5	82.5	141.6	133.7	97.4	99.6	92.3	91.6	87.5
June	123.0	110.2	123.7	124.1	149.5	84.9	142.2	133.9	97.4	99.5	92.5	90.1	88.9
July	123.9	109.1	124.7	124.6	150.5	87.6	142.1	133.9	97.9	96.2	95.5	91.6	92.9
Aug	124.6	110.9	125.4	125.0	150.4	90.0	143.6	134.2	103.1	100.1	101.5	100.5	96.2
Sept	125.3	111.8	126.0	125.4	149.6	92.5	145.7	134.4	107.3	100.1	108.3	107.6	102.6
Oct	125.0	112.4	125.7	125.9	149.1	89.3	146.3	134.8	104.0	98.8	103.8	99.8	100.7
Nov	125.2	111.6	126.0	125.9	149.4	90.2	146.5	135.0	109.2	99.5	111.9	112.6	104.9
Dec	125.4	109.7	126.2	125.9	149.8	90.6	146.5	135.1	103.5	96.9	104.3	89.5	109.1
2000: Jan	125.9	109.3	126.8	126.4	150.4	91.5	147.2	135.2	105.8	96.5	108.3	95.5	111.5
Feb	126.9	110.0	127.8	127.0	150.8	94.8	147.2	135.6	110.3	97.6	115.1	99.9	119.5
Mar	127.8	111.0	128.8	127.6	151.3	97.4	148.1	136.0	112.9	101.4	116.7	100.8	121.5
Apr	128.0	111.9	128.9	128.2	151.6	95.7	151.6	136.4	111.3	103.4	112.7	108.2	109.5
May	128.3	113.4	129.2	128.5	151.0	96.5	152.7	136.7	115.9	104.9	119.3	114.3	115.9
June	129.8	113.4	130.7	128.6	151.2	103.3	153.3	137.1	125.6	101.9	137.3	147.8	121.7
July ¹	130.3	112.7	131.2	128.9	150.8	105.0	153.3	137.3	122.7	99.3	134.4	148.3	116.4
Aug	129.9	110.2	131.0	128.6	150.3	104.6	153.1	136.9	119.2	95.4	131.2	137.8	118.8
Sept	131.0	111.2	132.1	128.5	150.3	110.0	153.5	137.3	124.8	97.6	139.1	148.5	124.1
Oct	130.8	111.6	131.8	128.5	150.2	108.9	153.4	137.6	128.3	99.5	143.5	163.7	120.4
Nov	130.5	111.6	131.5	128.1	149.9	108.3	153.2	137.6	125.5	100.5	138.2	147.9	123.2

²Intermediate materials for food manufacturing and feeds.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-66.—*Producer price indexes by stage of processing, special groups, 1974–2000*
[1982=100]

Year or month	Finished goods						Intermediate materials, supplies, and components				Crude materials for further processing			
	Total	Foods	Energy	Excluding foods and energy			Total	Foods and feeds ¹	Energy	Other	Total	Food-stuffs and feed-stuffs	Energy	Other
				Total	Capital equip-ment	Con-sumer goods exclud-ing foods and energy								
1974	52.6	64.4	26.2	53.6	50.5	55.5	52.5	83.6	33.1	54.0	61.4	76.4	27.8	83.3
1975	58.2	69.8	30.7	59.7	58.2	60.6	58.0	81.6	38.7	60.2	61.6	77.4	33.3	69.3
1976	60.8	69.6	34.3	63.1	62.1	63.7	60.9	77.4	41.5	63.8	63.4	76.8	35.3	80.2
1977	64.7	73.3	39.7	66.9	66.1	67.3	64.9	79.6	46.8	67.6	65.5	77.5	40.4	79.8
1978	69.8	79.9	42.3	71.9	71.3	72.2	69.5	84.8	49.1	72.5	73.4	87.3	45.2	87.8
1979	77.6	87.3	57.1	78.3	77.5	78.8	78.4	94.5	61.1	80.7	85.9	100.0	54.9	106.2
1980	88.0	92.4	85.2	87.1	85.8	87.8	90.3	105.5	84.9	90.3	95.3	104.6	73.1	113.1
1981	96.1	97.8	101.5	94.6	94.6	94.6	98.6	104.6	100.5	97.7	103.0	103.9	97.7	111.7
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	101.6	101.0	95.2	103.0	102.8	103.1	100.6	103.6	95.3	101.6	101.3	101.8	98.7	105.3
1984	103.7	105.4	91.2	105.5	105.2	105.7	103.1	105.7	95.5	104.7	103.5	104.7	98.0	111.7
1985	104.7	104.6	87.6	108.1	107.5	108.4	102.7	97.3	92.6	105.2	95.8	94.8	93.3	104.9
1986	103.2	107.3	63.0	110.6	109.7	111.1	99.1	96.2	72.6	104.9	87.7	93.2	71.8	103.1
1987	105.4	109.5	61.8	113.3	111.7	114.2	101.5	99.2	73.0	107.8	93.7	96.2	75.0	115.7
1988	108.0	112.6	59.8	117.0	114.3	118.5	107.1	109.5	70.9	115.2	96.0	106.1	67.7	133.0
1989	113.6	118.7	65.7	122.1	118.8	124.0	112.0	113.8	76.1	120.2	103.1	111.2	75.9	137.9
1990	119.2	124.4	75.0	126.6	122.9	128.8	114.5	113.3	85.5	120.9	108.9	113.1	85.9	136.3
1991	121.7	124.1	78.1	131.1	126.7	133.7	114.4	111.1	85.1	121.4	101.2	105.5	80.4	128.2
1992	123.2	123.3	77.8	134.2	129.1	137.3	114.7	110.7	84.3	122.0	100.4	105.1	78.8	128.4
1993	124.7	125.7	78.0	135.8	131.4	138.5	116.2	112.7	84.6	123.8	102.4	108.4	76.7	140.2
1994	125.5	126.8	77.0	137.1	134.1	139.0	118.5	114.8	83.0	127.1	101.8	106.5	72.1	156.2
1995	127.9	129.0	78.1	140.0	136.7	141.9	124.9	114.8	84.1	135.2	102.7	105.8	69.4	173.6
1996	131.3	133.6	83.2	142.0	138.3	144.3	125.7	128.1	89.8	134.0	113.8	121.5	85.0	155.8
1997	131.8	134.5	83.4	142.4	138.2	145.1	125.6	125.4	89.0	134.2	111.1	112.2	87.3	156.5
1998	130.7	134.3	75.1	143.7	137.6	147.7	123.0	116.2	80.8	133.5	96.8	103.9	68.6	142.1
1999	133.0	135.1	78.8	146.1	137.6	151.7	123.2	111.1	84.3	133.1	98.2	98.7	78.5	135.2
1999: Jan	131.4	135.6	71.3	145.9	137.8	151.2	120.9	114.6	75.9	131.9	90.1	101.2	61.0	128.8
Feb	130.8	134.1	70.1	146.0	138.0	151.3	120.4	112.6	74.7	131.8	88.2	98.2	58.8	130.9
Mar	131.1	134.7	71.2	145.8	137.7	151.2	120.7	111.0	76.0	131.9	89.0	98.8	60.5	129.9
Apr	131.9	133.4	75.9	145.8	137.8	151.2	121.6	109.0	80.3	132.1	91.1	95.4	68.1	129.1
May	132.4	134.5	77.5	145.6	137.6	151.0	122.2	109.8	82.2	132.5	97.4	99.6	77.1	131.4
June	132.7	135.1	78.6	145.5	137.2	151.0	123.0	110.2	84.6	132.9	97.4	99.5	77.1	132.2
July	132.9	134.6	80.7	145.3	137.0	150.9	123.9	109.1	87.2	133.4	97.9	96.2	80.4	134.2
Aug	133.7	135.9	83.5	145.2	136.9	150.7	124.6	110.9	89.6	133.7	103.1	100.1	87.3	136.8
Sept	134.7	136.7	85.8	145.7	136.7	151.7	125.3	111.8	92.1	133.9	107.3	100.1	95.4	139.1
Oct	135.1	135.8	83.5	147.5	138.5	153.6	125.0	112.4	89.0	134.2	104.0	98.8	88.7	141.7
Nov	134.9	135.4	83.6	147.4	138.3	153.4	125.2	111.6	89.9	134.4	109.2	99.5	98.9	142.6
Dec	134.9	135.6	83.6	147.4	138.3	153.4	125.4	109.7	90.3	134.6	103.5	96.9	87.9	146.0
2000: Jan	134.7	135.0	83.8	147.0	138.4	152.8	125.9	109.3	91.2	135.1	105.8	96.5	92.0	149.8
Feb	136.0	136.0	87.5	147.5	138.5	153.6	126.9	110.0	94.5	135.5	110.3	97.6	100.2	151.3
Mar	136.8	136.0	90.9	147.5	138.5	153.6	127.8	111.0	97.1	136.1	112.9	101.4	102.5	150.9
Apr	136.7	137.3	89.2	147.5	138.5	153.5	128.0	111.9	95.4	136.6	111.3	103.4	97.9	149.2
May	137.3	138.2	90.9	147.7	138.6	153.7	128.3	113.4	96.3	136.7	115.9	104.9	106.5	148.8
June	138.6	137.6	97.7	147.5	138.5	153.6	129.8	113.4	103.0	137.0	125.6	101.9	130.6	146.7
July ²	138.6	137.5	97.3	147.6	138.6	153.5	130.3	112.7	104.6	137.2	122.7	99.3	127.6	144.3
Aug	138.1	136.9	96.3	147.4	138.4	153.4	129.9	110.2	104.3	137.0	119.2	95.4	124.2	142.3
Sept	139.2	137.1	100.6	147.5	138.4	153.6	131.0	111.2	109.6	137.0	124.8	97.6	134.3	142.6
Oct	140.0	137.8	99.7	149.0	139.8	155.1	130.8	111.6	108.5	137.0	128.3	99.5	140.5	141.2
Nov	139.9	138.1	99.3	148.9	139.8	155.0	130.5	111.6	107.9	136.7	125.5	100.5	134.8	137.7

¹ Intermediate materials for food manufacturing and feeds.

² Data have been revised through July 2000 to reflect the availability of late reports and corrections by respondents. All data are subject to revision 4 months after original publication.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-67.—*Producer price indexes for major commodity groups, 1954–2000*
[1982=100]

Year or month	Farm products and processed foods and feeds			Industrial commodities				
	Total	Farm products	Processed foods and feeds	Total	Textile products and apparel	Hides, skins, leather, and related products	Fuels and related products and power ¹	Chemicals and allied products ¹
1954	38.5	43.2	35.4	27.2	48.2	29.5	13.2	33.8
1955	36.6	40.5	33.8	27.8	48.2	29.4	13.2	33.7
1956	36.4	40.0	33.8	29.1	48.2	31.2	13.6	33.9
1957	37.7	41.1	34.8	29.9	48.3	31.2	14.3	34.6
1958	39.4	42.9	36.5	30.0	47.4	31.6	13.7	34.9
1959	37.6	40.2	35.6	30.5	48.1	35.9	13.7	34.8
1960	37.7	40.1	35.6	30.5	48.6	34.6	13.9	34.8
1961	37.7	39.7	36.2	30.4	47.8	34.9	14.0	34.5
1962	38.1	40.4	36.5	30.4	48.2	35.3	14.0	33.9
1963	37.7	39.6	36.8	30.3	48.2	34.3	13.9	33.5
1964	37.5	39.0	36.7	30.5	48.5	34.4	13.5	33.6
1965	39.0	40.7	38.0	30.9	48.8	35.9	13.8	33.9
1966	41.6	43.7	40.2	31.5	48.9	39.4	14.1	34.0
1967	40.2	41.3	39.8	32.0	48.9	38.1	14.4	34.2
1968	41.1	42.3	40.6	32.8	50.7	39.3	14.3	34.1
1969	43.4	45.0	42.7	33.9	51.8	41.5	14.6	34.2
1970	44.9	45.8	44.6	35.2	52.4	42.0	15.3	35.0
1971	45.8	46.6	45.5	36.5	53.3	43.4	16.6	35.6
1972	49.2	51.6	48.0	37.8	55.5	50.0	17.1	35.6
1973	63.9	72.7	58.9	40.3	60.5	54.5	19.4	37.6
1974	71.3	77.4	68.0	49.2	68.0	55.2	30.1	50.2
1975	74.0	77.0	72.6	54.9	67.4	56.5	35.4	62.0
1976	73.6	78.8	70.8	58.4	72.4	63.9	38.3	64.0
1977	75.9	79.4	74.0	62.5	75.3	68.3	43.6	65.9
1978	83.0	87.7	80.6	67.0	78.1	76.1	46.5	68.0
1979	92.3	99.6	88.5	75.7	82.5	96.1	58.9	76.0
1980	98.3	102.9	95.9	88.0	89.7	94.7	82.8	89.0
1981	101.1	105.2	98.9	97.4	97.6	99.3	100.2	98.4
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	102.0	102.4	101.8	101.1	100.3	103.2	95.9	100.3
1984	105.5	105.5	105.4	103.3	102.7	109.0	94.8	102.9
1985	100.7	95.1	103.5	103.7	102.9	108.9	91.4	103.7
1986	101.2	92.9	105.4	100.0	103.2	113.0	69.8	102.6
1987	103.7	95.5	107.9	102.6	105.1	120.4	70.2	106.4
1988	110.0	104.9	112.7	106.3	109.2	131.4	66.7	116.3
1989	115.4	110.9	117.8	111.6	112.3	136.3	72.9	123.0
1990	118.6	112.2	121.9	115.8	115.0	141.7	82.3	123.6
1991	116.4	105.7	121.9	116.5	116.3	138.9	81.2	125.6
1992	115.9	103.6	122.1	117.4	117.8	140.4	80.4	125.9
1993	118.4	107.1	124.0	119.0	118.0	143.7	80.0	128.2
1994	119.1	106.3	125.5	120.7	118.3	148.5	77.8	132.1
1995	120.5	107.4	127.0	125.5	120.8	153.7	78.0	142.5
1996	129.7	122.4	133.3	127.3	122.4	150.5	85.8	142.1
1997	127.0	112.9	134.0	127.7	122.6	154.2	86.1	143.6
1998	122.7	104.6	131.6	124.8	122.9	148.0	75.3	143.9
1999	120.3	98.4	131.1	126.5	121.1	146.0	80.5	144.2
1999: Jan	122.1	102.2	131.9	123.1	121.8	145.8	70.1	142.3
Feb	120.1	98.3	131.0	122.7	121.5	144.1	68.6	141.8
Mar	120.3	99.2	130.8	123.1	121.5	144.5	70.0	141.9
Apr	118.3	96.5	129.1	124.6	121.3	144.6	75.5	142.1
May	120.1	99.6	130.3	125.6	121.2	145.0	78.9	142.6
June	120.4	99.2	130.8	126.1	121.0	145.0	80.1	143.4
July	118.8	95.2	130.5	127.0	120.8	145.2	82.8	144.4
Aug	120.9	99.0	131.8	128.1	120.9	146.3	86.5	144.6
Sept	121.5	99.3	132.5	129.3	120.8	147.5	90.2	145.8
Oct	120.8	97.5	132.4	129.0	120.8	148.5	86.6	147.0
Nov	120.5	97.8	131.8	129.8	120.6	146.6	89.4	147.1
Dec	119.7	96.9	130.9	129.4	120.6	149.1	87.0	147.3
2000: Jan	119.3	95.9	131.0	130.0	120.8	149.0	88.4	147.7
Feb	120.4	97.5	131.7	131.5	121.0	148.9	93.1	148.9
Mar	121.7	100.6	132.1	132.6	121.2	148.4	96.1	149.9
Apr	122.7	101.6	133.2	132.2	121.3	149.2	93.7	150.7
May	124.2	103.7	134.3	133.0	121.4	149.7	96.6	151.3
June	122.9	100.1	134.2	135.9	121.4	149.6	107.4	151.7
July ²	121.9	97.3	134.1	135.9	121.6	151.0	107.1	152.6
Aug	120.0	94.3	132.7	135.4	121.4	152.4	105.8	152.5
Sept	121.2	97.9	132.7	137.0	121.3	153.1	111.9	151.8
Oct	122.2	100.2	133.0	137.5	121.5	155.1	112.6	152.3
Nov	122.6	101.4	133.1	136.9	121.9	154.1	110.9	151.6

¹ Prices for some items in this grouping are lagged and refer to 1 month earlier than the index month.

² Data have been revised through July 2000 to reflect the availability of late reports and corrections by respondents. All data are subject to revision 4 months after original publication.

See next page for continuation of table.

TABLE B-67.—*Producer price indexes for major commodity groups, 1954–2000—Continued*
[1982=100]

Year or month	Industrial commodities—Continued									
	Rubber and plastic products	Lumber and wood products	Pulp, paper, and allied products	Metals and metal products	Machinery and equipment	Furniture and household durables	Non-metallic mineral products	Transportation equipment		Miscellaneous products
								Total	Motor vehicles and equipment	
1954	37.5	32.5	29.6	25.5	26.3	44.9	26.6	.....	33.4	31.3
1955	42.4	34.1	30.4	27.2	27.2	45.1	27.3	.....	34.3	31.3
1956	43.0	34.6	32.4	29.6	29.3	46.3	28.5	.....	36.3	31.7
1957	42.8	32.8	33.0	30.2	31.4	47.5	29.6	.....	37.9	32.6
1958	42.8	32.5	33.4	30.0	32.1	47.9	29.9	.....	39.0	33.3
1959	42.6	34.7	33.7	30.6	32.8	48.0	30.3	.....	39.9	33.4
1960	42.7	33.5	34.0	30.6	33.0	47.8	30.4	.....	39.3	33.6
1961	41.1	32.0	33.0	30.5	33.0	47.5	30.5	.....	39.2	33.7
1962	39.9	32.2	33.4	30.2	33.0	47.2	30.5	.....	39.2	33.9
1963	40.1	32.8	33.1	30.3	33.1	46.9	30.3	.....	38.9	34.2
1964	39.6	33.5	33.0	31.1	33.3	47.1	30.4	.....	39.1	34.4
1965	39.7	33.7	33.3	32.0	33.7	46.8	30.4	.....	39.2	34.7
1966	40.5	35.2	34.2	32.8	34.7	47.4	30.7	.....	39.2	35.3
1967	41.4	35.1	34.6	33.2	35.9	48.3	31.2	.....	39.8	36.2
1968	42.8	39.8	35.0	34.0	37.0	49.7	32.4	.....	40.9	37.0
1969	43.6	44.0	36.0	36.0	38.2	50.7	33.6	40.4	41.7	38.1
1970	44.9	39.9	37.5	38.7	40.0	51.9	35.3	41.9	43.3	39.8
1971	45.2	44.7	38.1	39.4	41.4	53.1	38.2	44.2	45.7	40.8
1972	45.3	50.7	39.3	40.9	42.3	53.8	39.4	45.5	47.0	41.5
1973	46.6	62.2	42.3	44.0	43.7	55.7	40.7	46.1	47.4	43.3
1974	56.4	64.5	52.5	57.0	50.0	61.8	47.8	50.3	51.4	48.1
1975	62.2	62.1	59.0	61.5	57.9	67.5	54.4	56.7	57.6	53.4
1976	66.0	72.2	62.1	65.0	61.3	70.3	58.2	60.5	61.2	55.6
1977	69.4	83.0	64.6	69.3	65.2	73.2	62.6	64.6	65.2	59.4
1978	72.4	96.9	67.7	75.3	70.3	77.5	69.6	69.5	70.0	66.7
1979	80.5	105.5	75.9	86.0	76.7	82.8	77.6	75.3	75.8	75.5
1980	90.1	101.5	86.3	95.0	86.0	90.7	88.4	82.9	83.1	93.6
1981	96.4	102.8	94.8	99.6	94.4	95.9	96.7	94.3	94.6	96.1
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	100.8	107.9	103.3	101.8	102.7	103.4	101.6	102.8	102.2	104.8
1984	102.3	108.0	110.3	104.8	105.1	105.7	105.4	105.2	104.1	107.0
1985	101.9	106.6	113.3	104.4	107.2	107.1	108.6	107.9	106.4	109.4
1986	101.9	107.2	116.1	103.2	108.8	108.2	110.0	110.5	109.1	111.6
1987	103.0	112.8	121.8	107.1	110.4	109.9	110.0	112.5	111.7	114.9
1988	109.3	118.9	130.4	118.7	113.2	113.1	111.2	114.3	113.1	120.2
1989	112.6	126.7	137.8	124.1	117.4	116.9	112.6	117.7	116.2	126.5
1990	113.6	129.7	141.2	122.9	120.7	119.2	114.7	121.5	118.2	134.2
1991	115.1	132.1	142.9	120.2	123.0	121.2	117.2	126.4	122.1	140.8
1992	115.1	146.6	145.2	119.2	123.4	122.2	117.3	130.4	124.9	145.3
1993	116.0	174.0	147.3	119.2	124.0	123.7	120.0	133.7	128.0	145.4
1994	117.6	180.0	152.5	124.8	125.1	126.1	124.2	137.2	131.4	141.9
1995	124.3	178.1	172.2	134.5	126.6	128.2	129.0	139.7	133.0	145.4
1996	123.8	176.1	168.7	131.0	126.5	130.4	131.0	141.7	134.1	147.7
1997	123.2	183.8	167.9	131.8	125.9	130.8	133.2	141.6	132.7	150.9
1998	122.6	179.1	171.7	127.8	124.9	131.3	135.4	141.2	131.4	156.0
1999	122.5	183.6	174.1	124.6	124.3	131.7	138.9	141.8	131.7	166.6
1999: Jan	122.0	177.2	170.7	123.5	124.7	131.4	136.9	142.0	132.0	166.0
Feb	121.7	179.8	170.7	123.4	124.7	131.3	137.6	142.3	132.4	165.7
Mar	121.6	181.6	171.6	122.9	124.6	131.4	137.8	141.8	131.7	165.4
Apr	121.9	181.6	172.0	123.1	124.5	131.5	138.3	141.9	131.9	165.4
May	122.0	183.7	172.6	123.8	124.3	131.5	138.5	141.5	131.4	165.4
June	122.1	187.8	173.4	123.8	124.2	131.8	138.8	141.1	130.6	165.0
July	122.4	192.0	174.4	124.4	124.1	131.7	138.9	140.5	129.8	164.8
Aug	122.8	189.6	175.2	124.9	124.0	131.8	139.5	140.4	129.7	164.8
Sept	123.1	184.9	176.0	125.5	123.9	131.7	139.6	140.1	129.1	168.6
Oct	123.1	181.0	177.0	126.3	124.0	131.8	140.0	143.7	134.5	169.1
Nov	123.5	181.6	177.7	126.6	124.0	131.9	140.3	143.3	133.7	169.6
Dec	123.6	182.7	177.9	127.3	124.0	132.0	140.5	143.3	133.5	169.5
2000: Jan	123.8	183.8	179.3	128.3	124.0	132.1	141.5	143.5	133.1	167.2
Feb	123.7	184.0	180.0	128.8	123.9	132.3	141.7	143.4	132.7	170.4
Mar	123.9	184.2	181.7	128.7	123.9	132.5	142.1	143.4	132.5	170.1
Apr	124.3	183.0	183.8	128.6	123.9	132.6	142.7	143.5	132.4	169.6
May	124.4	179.3	184.9	128.2	123.9	132.6	143.0	143.5	132.4	169.4
June	125.2	178.6	185.5	127.9	124.0	132.9	143.1	143.1	131.4	169.9
July ²	125.8	177.0	185.1	128.0	124.2	132.7	142.9	143.1	131.0	170.5
Aug	125.8	174.4	184.3	128.0	124.1	132.5	142.8	142.5	130.3	171.8
Sept	126.0	174.0	184.1	128.5	124.2	132.4	143.0	142.5	130.1	172.2
Oct	125.6	174.3	184.6	128.2	124.1	132.8	142.5	145.1	133.7	172.4
Nov	126.0	172.9	184.9	126.8	124.1	132.9	142.2	145.1	133.4	172.9

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-68.—*Changes in producer price indexes for finished goods, 1960–2000*

[Percent change]

Year or month	Total finished goods		Finished consumer foods		Finished goods excluding consumer foods						Finished energy goods		Finished goods excluding foods and energy	
	Dec. to Dec. ¹ Year to year		Dec. to Dec. ¹ Year to year		Total		Consumer goods		Capital equipment		Dec. to Dec. ¹ Year to year	Dec. to Dec. ¹ Year to year	Dec. to Dec. ¹ Year to year	Dec. to Dec. ¹ Year to year
					Dec. to Dec. ¹ Year to year	Dec. to Dec. ¹ Year to year	Dec. to Dec. ¹ Year to year	Dec. to Dec. ¹ Year to year	Dec. to Dec. ¹ Year to year					
1960	1.8	0.9	5.3	2.0	.....	.....	0.3	0.6	0.3	0.3	.....	.....	.....	.....
1961	-.6	0	-1.9	-.3	.....	.....	-.3	-.3	0	.3	.....	.....	.....	.....
1962 .....	.3	.3	.6	.8	.....	.....	0	0	.3	.3	.....	.....	.....	.....
1963	-.3	-.3	-1.4	-1.1	.....	.....	0	0	.6	.3	.....	.....	.....	.....
1964 .....	.6	.3	.6	.3	.....	.....	.3	-.3	.9	.9	.....	.....	.....	.....
1965	3.3	1.8	9.1	4.0	.....	.....	.9	.9	1.5	1.2	.....	.....	.....	.....
1966	2.0	3.2	1.3	6.5	.....	.....	1.8	1.5	3.8	2.4	.....	.....	.....	.....
1967	1.7	1.1	-.3	-1.8	.....	.....	2.0	1.8	3.1	3.5	.....	.....	.....	.....
1968	3.1	2.8	4.6	3.9	2.5	2.6	2.0	2.3	3.0	3.4	.....	.....	.....	.....
1969	4.9	3.8	8.1	6.0	3.3	2.8	2.8	2.3	4.8	3.5	.....	.....	.....	.....
1970	2.1	3.4	-2.3	3.3	4.3	3.5	3.8	3.0	4.8	4.7	.....	.....	.....	.....
1971	3.3	3.1	5.8	1.6	2.0	3.7	2.1	3.5	2.4	4.0	.....	.....	.....	.....
1972	3.9	3.2	7.9	5.4	2.3	2.0	2.1	1.8	2.1	2.6	.....	.....	.....	.....
1973	11.7	9.1	22.7	20.5	6.6	4.0	7.5	4.6	5.1	3.3	.....	.....	.....	.....
1974	18.3	15.4	12.8	14.0	21.1	16.2	20.3	17.0	22.7	14.3	.....	.....	17.7	11.4
1975	6.6	10.6	5.6	8.4	7.2	12.1	6.8	10.4	8.1	15.2	16.3	17.2	6.0	11.4
1976	3.8	4.5	-2.5	-.3	6.2	6.2	6.0	6.2	6.5	6.7	11.6	11.7	5.7	5.7
1977	6.7	6.4	6.9	5.3	6.8	7.1	6.7	7.3	7.2	6.4	12.0	15.7	6.2	6.0
1978	9.3	7.9	11.7	9.0	8.3	7.2	8.5	7.1	8.0	7.9	8.5	6.5	8.4	7.5
1979	12.8	11.2	7.4	9.3	14.8	11.8	17.6	13.3	8.8	8.7	58.1	35.0	9.4	8.9
1980	11.8	13.4	7.5	5.8	13.4	16.2	14.1	18.5	11.4	10.7	27.9	49.2	10.8	11.2
1981	7.1	9.2	1.5	5.8	8.7	10.3	8.6	10.3	9.2	10.3	14.1	19.1	7.7	8.6
1982	3.6	4.1	2.0	2.2	4.2	4.6	4.2	4.1	3.9	5.7	-.1	-1.5	4.9	5.7
1983 .....	.6	1.6	2.3	1.0	0	1.8	-.9	1.2	2.0	2.8	-.9	-4.8	1.9	3.0
1984	1.7	2.1	3.5	4.4	1.1	1.4	.8	1.0	1.8	2.3	-.4	-2	2.0	2.4
1985	1.8	1.0	.6	-.8	2.2	1.4	2.1	1.1	2.7	2.2	-.2	-3.9	2.7	2.5
1986	-2.3	-1.4	2.8	2.6	-4.0	-2.6	-6.6	-4.6	2.1	2.0	-38.1	-28.1	2.7	2.3
1987	2.2	2.1	-.2	2.1	3.2	2.1	4.1	2.2	1.3	1.8	11.2	-1.9	2.1	2.4
1988	4.0	2.5	5.7	2.8	3.2	2.4	3.1	2.4	3.6	2.3	-3.6	-3.2	4.3	3.3
1989	4.9	5.2	5.2	5.4	4.8	5.0	5.3	5.6	3.8	3.9	9.5	9.9	4.2	4.4
1990	5.7	4.9	2.6	4.8	6.9	5.0	8.7	5.9	3.4	3.5	30.7	14.2	3.5	3.7
1991	-.1	2.1	-1.5	-.2	.3	3.0	-.7	2.9	2.5	3.1	-9.6	4.1	3.1	3.6
1992	1.6	1.2	1.6	-.6	1.6	1.8	1.6	1.8	1.7	1.9	-.3	-.4	2.0	2.4
1993 .....	.2	1.2	2.4	1.9	-.4	1.1	-1.4	.7	1.8	1.8	-.4	1	.3	1.2
1994	1.7	.6	1.1	.9	1.9	.6	2.0	-.1	2.0	2.1	3.5	-1.3	1.6	1.0
1995	2.3	1.9	1.9	1.7	2.3	1.9	2.3	2.0	2.2	1.9	1.1	1.4	2.6	2.1
1996	2.8	2.7	3.4	3.6	2.6	2.4	3.7	2.9	.4	1.2	11.7	6.5	.6	1.4
1997	-1.2	-.4	-.8	-.7	-1.2	.3	-1.5	.5	-.6	-.1	-6.4	.2	0	.3
1998	0	-.8	.1	-.1	-.1	-1.1	-.1	-1.4	0	-.4	-11.7	-10.0	2.5	.9
1999	2.9	1.8	.8	.6	3.5	2.2	5.1	3.2	.3	0	18.1	4.9	.9	1.7
Percent change from preceding month														
	Unad-justed	Season-ally ad-justed	Unad-justed	Season-ally ad-justed	Unad-justed	Season-ally ad-justed	Unad-justed	Season-ally ad-justed	Unad-justed	Season-ally ad-justed	Unad-justed	Season-ally ad-justed	Unad-justed	Season-ally ad-justed
1999: Jan	0.2	0.4	0.8	1.5	0.0	0.1	0.0	0.1	-.0	0.0	0.7	1.1	-.0	-.0
Feb	-.5	-.4	-1.1	-1.2	-.2	-.2	-.4	-.2	.1	.1	-1.7	-1.0	.1	.1
Mar ....	.2	.4	.4	.4	.2	.3	.3	.5	-.2	-.1	1.6	1.9	-.1	-.1
Apr ....	.6	.5	-1.0	-.8	1.1	.8	1.6	1.3	.1	.1	6.6	5.1	0	.1
May ....	.4	.1	.8	.1	.2	.1	.5	.2	-.1	.1	2.1	.3	-.1	.1
June ....	.2	.1	.4	.6	.2	0	.3	0	-.3	-.1	1.4	-.1	-.1	0
July ....	.2	.2	-.4	-.4	.4	.4	.6	.7	-.1	-.1	2.7	2.7	-.1	-.1
Aug ....	.6	.6	1.0	.5	.5	.6	.8	.8	-.1	.1	3.5	3.3	-.1	.1
Sept ....	.7	.8	.6	.7	.8	.9	1.2	1.2	-.1	.1	2.8	2.1	.3	.6
Oct ....	.3	0	-.7	-.3	.5	.1	.1	.1	1.3	.2	-2.7	-.4	1.2	.2
Nov	-.1	.1	-.3	-.2	0	.1	-.1	.2	-.1	-.1	.1	1.1	-.1	-.1
Dec	0	.1	.1	0	-.1	.2	0	.2	0	.1	0	.7	0	.1
2000: Jan	-.1	.1	-.4	.2	-.1	0	-.2	0	.1	.1	.2	.9	-.3	-.2
Feb	1.0	1.1	.7	.5	1.0	1.3	1.6	1.8	.1	0	4.4	5.3	.3	.3
Mar ....	.6	.7	0	.1	.7	.9	1.0	1.2	0	.1	3.9	4.4	0	.1
Apr	-.1	-.4	1.0	1.1	-.4	-.7	-.6	-.1	0	.1	-1.9	-3.9	0	.1
May ....	.4	.1	.7	-.2	.4	.1	.7	.1	.1	.2	1.9	-.2	.1	.3
June ....	.9	.9	-.4	-.2	1.3	1.2	2.0	1.8	-.1	0	7.5	6.4	-.1	0
July ²	0	.1	-.1	-.1	0	.1	-.1	0	.1	.1	-.4	-.2	.1	.1
Aug	-.4	-.4	-.4	-.8	-.3	-.3	-.4	-.4	-.1	.1	-1.0	-1.4	-.1	.1
Sept ....	.8	.9	.1	.4	.9	1.0	1.3	1.3	0	.2	4.5	3.7	.1	.3
Oct ....	.6	.4	.5	.8	.6	.3	.5	.4	1.0	0	-.9	1.4	1.0	-.1
Nov	-.1	.1	.2	.2	-.1	.1	-.2	.1	0	0	-.4	.4	-.1	0

¹ Changes from December to December are based on unadjusted indexes.² Data have been revised through July 2000 to reflect the availability of late reports and corrections by respondents. All data are subject to revision 4 months after original publication.

Source: Department of Labor, Bureau of Labor Statistics.

MONEY STOCK, CREDIT, AND FINANCE

TABLE B-69.—*Money stock and debt measures, 1959–2000*
[Averages of daily figures, except debt; billions of dollars, seasonally adjusted]

Year and month	M1	M2	M3	Debt ¹	Percent change from year or 6 months earlier ²			
	Sum of currency, demand deposits, travelers checks, and other checkable deposits (OCDs)	M1 plus retail MMMF balances, savings deposits (including MMDAs), and small time deposits	M2 plus large time deposits, RPs, Euro-dollars, and institution-only MMMF balances	Debt of domestic nonfinancial sectors (monthly average of adjacent month-end levels)	M1	M2	M3	Debt
December:								
1959	140.0	297.8	299.7	687.7	.....	.....	.....	7.7
1960	140.7	312.4	315.2	723.1	0.5	4.9	5.2	5.1
1961	145.2	335.5	340.8	765.9	3.2	7.4	8.1	5.9
1962	147.8	362.7	371.3	818.7	1.8	8.1	8.9	6.9
1963	153.3	393.2	405.9	873.6	3.7	8.4	9.3	6.7
1964	160.3	424.7	442.4	937.1	4.6	8.0	9.0	7.3
1965	167.8	459.2	482.1	1,004.1	4.7	8.1	9.0	7.1
1966	172.0	480.2	505.4	1,071.3	2.5	4.6	4.8	6.7
1967	183.3	524.8	557.9	1,145.7	6.6	9.3	10.4	6.9
1968	197.4	566.8	607.2	1,237.3	7.7	8.0	8.8	8.0
1969	203.9	587.9	615.9	1,327.4	3.3	3.7	1.4	7.3
1970	214.3	626.4	677.0	1,416.8	5.1	6.5	9.9	6.7
1971	228.2	710.1	775.9	1,550.5	6.5	13.4	14.6	9.4
1972	249.1	802.1	885.8	1,706.8	9.2	13.0	14.2	10.1
1973	262.7	855.2	984.7	1,892.0	5.5	6.6	11.2	10.9
1974	274.0	901.9	1,069.7	2,065.0	4.3	5.5	8.6	9.1
1975	286.8	1,015.9	1,171.2	2,252.4	4.7	12.6	9.5	9.1
1976	305.9	1,151.7	1,311.3	2,497.2	6.7	13.4	12.0	10.9
1977	330.5	1,269.9	1,471.5	2,814.1	8.0	10.3	12.2	12.7
1978	356.9	1,365.5	1,645.1	3,202.8	8.0	7.5	11.8	13.8
1979	381.4	1,473.1	1,808.5	3,591.9	6.9	7.9	9.9	12.1
1980	408.1	1,599.1	1,995.0	3,934.2	7.0	8.6	10.3	9.5
1981	436.2	1,754.6	2,253.3	4,345.9	6.9	9.7	12.9	10.5
1982	474.3	1,909.5	2,459.2	4,782.2	8.7	8.8	9.1	10.0
1983	520.8	2,126.0	2,697.3	5,351.8	9.8	11.3	9.7	11.9
1984	551.2	2,309.7	2,990.7	6,148.8	5.8	8.6	10.9	14.9
1985	619.3	2,495.4	3,207.5	7,068.4	12.4	8.0	7.2	15.0
1986	724.2	2,732.1	3,498.8	7,933.6	16.9	9.5	9.1	12.2
1987	749.6	2,831.1	3,689.9	8,677.0	3.5	3.6	5.5	9.4
1988	786.3	2,994.3	3,932.9	9,466.6	4.9	5.8	6.6	9.1
1989	792.5	3,158.4	4,088.4	10,160.1	.8	5.5	4.0	7.3
1990	824.4	3,277.6	4,153.0	10,824.7	4.0	3.8	1.6	6.5
1991	896.3	3,376.8	4,205.4	11,299.5	8.7	3.0	1.3	4.4
1992	1,024.3	3,430.7	4,217.3	11,823.7	14.3	1.6	.3	4.6
1993	1,129.7	3,484.4	4,277.8	12,407.6	10.3	1.6	1.4	4.9
1994	1,150.1	3,499.0	4,351.7	12,988.4	1.8	.4	1.7	4.7
1995	1,126.8	3,641.9	4,614.5	13,694.9	-2.0	4.1	6.0	5.4
1996	1,081.1	3,813.3	4,949.4	14,430.8	-4.1	4.7	7.3	5.4
1997	1,073.9	4,028.9	5,400.2	15,223.1	-7	5.7	9.1	5.5
1998	1,097.4	4,380.6	5,994.0	16,276.0	2.2	8.7	11.0	6.9
1999	1,123.0	4,643.7	6,489.8	17,376.7	2.3	6.0	8.3	6.8
1999: Jan	1,096.0	4,406.0	6,026.2	16,353.7	3.5	9.6	11.4	6.4
Feb	1,094.3	4,432.2	6,075.9	16,436.3	4.0	9.6	11.0	6.3
Mar	1,101.4	4,449.1	6,086.5	16,560.7	4.3	8.3	9.1	6.8
Apr	1,107.2	4,476.4	6,123.1	16,677.3	4.1	7.6	8.1	7.2
May	1,101.7	4,498.9	6,155.5	16,763.9	1.5	6.9	7.2	7.1
June	1,100.1	4,516.9	6,187.0	16,845.1	.5	6.2	6.4	7.0
July	1,099.5	4,539.7	6,211.8	16,917.8	.6	6.1	6.2	6.9
Aug	1,098.7	4,557.5	6,231.4	17,014.8	.8	5.7	5.1	7.0
Sept	1,096.1	4,576.8	6,259.9	17,121.4	-1.0	5.7	5.7	6.8
Oct	1,101.4	4,594.6	6,312.9	17,204.3	-1.0	5.3	6.2	6.3
Nov	1,109.6	4,614.6	6,393.7	17,272.9	1.4	5.1	7.7	6.1
Dec	1,123.0	4,643.7	6,489.8	17,376.7	4.2	5.6	9.8	6.3
2000: Jan	1,118.9	4,668.8	6,537.7	17,452.7	3.5	5.7	10.5	6.3
Feb	1,104.5	4,682.0	6,560.9	17,509.7	1.1	5.5	10.6	5.8
Mar	1,110.4	4,720.1	6,639.8	17,619.5	2.6	6.3	12.1	5.8
Apr	1,115.1	4,762.3	6,691.7	17,719.2	2.5	7.3	12.0	6.0
May	1,105.9	4,761.0	6,714.1	17,795.4	-7	6.3	10.0	6.0
June	1,104.7	4,776.5	6,757.5	17,876.1	-3.3	5.7	8.2	5.7
July	1,104.9	4,790.9	6,807.2	17,939.9	-2.5	5.2	8.2	5.6
Aug	1,101.5	4,821.3	6,863.3	17,999.1	-5	6.0	9.2	5.6
Sept	1,096.7	4,857.5	6,913.4	18,074.5	-2.5	5.8	8.2	5.2
Oct	1,100.8	4,875.8	6,936.2	18,115.0	-2.6	4.8	7.3	4.5
Nov ^P	1,090.7	4,886.8	6,954.6	.....	-2.7	5.3	7.2	.....

¹ Consists of outstanding credit market debt of the U.S. Government, State and local governments, and private nonfinancial sectors; data derived from flow of funds accounts.

² Annual changes are from December to December; monthly changes are from 6 months earlier at a simple annual rate.

Note.—See Table B-70, for components.

Data are as released on December 14, 2000.

Source: Board of Governors of the Federal Reserve System.

TABLE B-70.—*Components of money stock measures, 1959–2000*
[Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Currency	Nonbank travelers checks	Demand deposits	Other checkable deposits (OCDs)	Small denomination time deposits ¹	Savings deposits, including money market deposit accounts (MMDAs) ²
December:						
1959	28.8	0.3	110.8	0.0	11.4	146.5
1960	28.7	.3	111.6	.0	12.5	159.1
1961	29.3	.4	115.5	.0	14.8	175.5
1962	30.3	.4	117.1	.0	20.1	194.7
1963	32.2	.4	120.6	.1	25.6	214.4
1964	33.9	.5	125.8	.1	29.2	235.3
1965	36.0	.5	131.3	.1	34.5	256.9
1966	38.0	.6	133.4	.1	55.0	253.2
1967	40.0	.6	142.5	.1	77.8	263.7
1968	43.0	.7	153.6	.1	100.6	268.9
1969	45.7	.8	157.3	.2	120.4	263.6
1970	48.6	.8	164.7	.1	151.2	260.9
1971	52.0	.9	175.1	.2	189.8	292.2
1972	56.2	1.1	191.6	.2	231.7	321.4
1973	60.8	1.2	200.3	.3	265.8	326.7
1974	67.0	1.5	205.1	.4	287.9	338.6
1975	72.8	1.9	211.3	.9	337.8	388.8
1976	79.5	2.3	221.5	2.7	390.7	453.2
1977	87.4	2.6	236.4	4.2	445.5	492.2
1978	96.0	2.9	249.5	8.5	520.9	481.9
1979	104.8	3.1	256.6	16.8	634.2	423.8
1980	115.3	3.5	261.2	28.1	728.5	400.2
1981	122.5	3.6	231.4	78.7	823.1	343.9
1982	132.5	3.6	234.1	104.1	850.9	400.1
1983	146.2	4.0	238.5	132.1	784.0	684.9
1984	156.1	4.3	243.4	147.4	888.8	704.7
1985	167.8	4.8	266.8	179.8	885.7	815.2
1986	180.6	5.2	302.8	235.6	858.4	940.9
1987	196.8	5.7	287.5	259.5	921.0	937.4
1988	212.2	6.1	287.0	280.9	1,037.1	926.3
1989	222.6	6.1	278.6	285.1	1,151.4	893.7
1990	247.0	7.0	276.8	293.7	1,173.4	923.0
1991	267.5	7.1	289.5	332.3	1,065.6	1,043.8
1992	292.6	7.6	339.8	384.3	868.1	1,186.5
1993	322.1	7.4	385.5	414.6	782.0	1,219.2
1994	354.4	8.0	383.6	404.1	816.3	1,149.9
1995	372.5	8.5	389.2	356.6	931.4	1,134.2
1996	394.3	8.3	402.3	276.1	946.9	1,270.6
1997	424.8	8.1	395.3	245.8	968.2	1,397.1
1998	459.5	8.2	379.3	250.3	951.7	1,598.6
1999	515.5	8.3	355.2	244.0	955.2	1,734.5
1999: Jan	463.0	8.2	374.0	250.8	946.9	1,617.8
Feb	467.4	8.1	371.3	247.4	941.1	1,638.6
Mar	471.5	8.2	371.9	249.7	937.3	1,647.2
Apr	475.6	8.2	371.6	251.8	935.1	1,662.4
May	480.0	8.3	365.9	247.5	933.8	1,684.4
June	483.5	8.8	360.6	247.2	931.4	1,699.9
July	487.3	9.1	360.1	243.0	931.5	1,718.1
Aug	491.2	8.9	356.6	242.0	933.4	1,729.7
Sept	495.3	8.7	351.3	240.8	937.6	1,741.5
Oct	499.3	8.4	353.4	240.3	942.3	1,743.2
Nov	504.2	8.2	356.0	241.2	949.2	1,740.9
Dec	515.5	8.3	355.2	244.0	955.2	1,734.5
2000: Jan	523.8	8.2	343.8	243.1	962.3	1,735.5
Feb	517.2	8.1	338.2	241.1	969.2	1,751.4
Mar	515.4	8.2	343.2	243.6	976.3	1,760.9
Apr	516.5	8.2	342.2	248.2	985.1	1,774.4
May	518.5	8.3	336.2	242.9	993.0	1,776.0
June	520.8	8.8	333.3	241.8	1,005.2	1,783.4
July	522.3	9.3	333.3	240.0	1,013.8	1,794.4
Aug	523.0	9.2	328.3	241.0	1,023.8	1,813.2
Sept	524.0	8.8	324.9	239.0	1,028.7	1,839.4
Oct	525.8	8.4	325.7	240.9	1,031.9	1,841.3
Nov ^p	526.3	8.0	317.2	239.2	1,037.8	1,852.6

¹ Small denomination deposits are those issued in amounts of less than \$100,000.

² Data prior to 1982 are savings deposits only; MMDA data begin December 1982.

See next page for continuation of table.

TABLE B-70.—*Components of money stock measures, 1959–2000—Continued*
 [Averages of daily figures; billions of dollars, seasonally adjusted]

Year and month	Money market mutual fund (MMMF) balances		Large denomination time deposits ³	Over-night and term repurchase agreements (RPs) (net)	Over-night and term Euro-dollars (net)
	Retail	Institution only			
December:					
1959	0.0	0.0	1.2	0.0	0.7
1960 .....	.0	.0	2.0	.0	.8
1961 .....	.0	.0	3.9	.0	1.5
1962 .....	.0	.0	7.0	.0	1.6
1963 .....	.0	.0	10.8	.0	1.9
1964 .....	.0	.0	15.2	.0	2.4
1965 .....	.0	.0	21.2	.0	1.8
1966 .....	.0	.0	23.1	.0	2.2
1967 .....	.0	.0	30.9	.0	2.2
1968 .....	.0	.0	37.4	.0	2.9
1969 .....	.0	.0	20.4	4.9	2.7
1970 .....	.0	.0	45.1	3.0	2.4
1971 .....	.0	.0	57.6	5.2	2.9
1972 .....	.0	.0	73.3	6.6	3.8
1973 .....	.0	.0	111.0	12.8	5.8
1974	1.4	.2	144.7	14.5	8.5
1975	2.3	.5	129.7	15.0	10.2
1976	1.8	.6	118.1	25.5	15.4
1977	1.7	1.0	145.2	33.5	21.9
1978	5.7	3.5	195.6	45.2	35.3
1979	33.7	10.4	223.1	49.2	52.8
1980	62.2	16.0	260.2	58.2	61.5
1981	151.4	38.2	303.9	67.8	88.9
1982	184.2	48.8	324.9	71.8	104.3
1983	136.2	40.9	316.5	97.3	116.6
1984	165.1	61.6	403.2	107.3	108.9
1985	175.1	64.4	422.4	121.2	104.2
1986	208.6	85.1	420.2	145.8	115.7
1987	223.0	92.2	467.0	178.0	121.5
1988	244.6	92.0	518.3	196.5	131.7
1989	320.9	110.1	541.5	169.1	109.4
1990	356.9	138.5	482.1	151.5	103.3
1991	371.1	187.5	417.6	131.1	92.3
1992	351.8	211.1	354.5	141.6	79.5
1993	353.5	213.6	334.5	172.6	72.8
1994	382.6	205.8	364.2	196.3	86.3
1995	449.4	259.6	420.5	198.4	94.0
1996	514.8	318.6	492.2	210.7	114.6
1997	589.8	390.9	573.7	256.0	150.7
1998	733.0	532.1	628.0	300.8	152.6
1999	831.0	625.0	705.4	344.3	171.3
1999: Jan	745.3	537.3	631.5	300.6	150.7
Feb	758.2	546.9	627.6	315.1	154.1
Mar	763.2	549.3	623.8	305.7	158.7
Apr	771.6	558.0	626.3	300.9	161.5
May	779.1	563.8	625.5	305.0	162.3
June	785.5	567.9	624.6	312.8	164.8
July	790.6	569.9	626.1	313.2	163.0
Aug	795.7	578.0	623.2	314.8	158.0
Sept	801.6	582.0	629.3	316.0	155.8
Oct	807.7	592.8	652.9	317.8	154.8
Nov	815.0	609.0	679.5	328.0	162.6
Dec	831.0	625.0	705.4	344.3	171.3
2000: Jan	852.1	641.2	712.3	339.9	175.4
Feb	856.9	635.1	714.2	354.5	175.0
Mar	872.4	658.6	721.3	351.3	188.5
Apr	887.8	658.2	739.0	348.7	183.5
May	886.1	667.6	738.6	358.3	188.5
June	883.2	676.1	750.3	367.0	187.6
July	877.8	705.0	758.2	368.6	184.5
Aug	882.8	721.0	769.5	363.1	188.3
Sept	892.7	740.4	760.0	362.0	193.5
Oct	901.9	744.5	756.7	362.0	197.1
Nov ^p	905.7	751.4	766.0	354.3	196.1

³ Large denomination deposits are those issued in amounts of more than \$100,000.

Note.—See also Table and Note, Table B-69.

Source: Board of Governors of the Federal Reserve System.

TABLE B-71.—Aggregate reserves of depository institutions and monetary base, 1959–2000
 [Averages of daily figures¹; millions of dollars; seasonally adjusted, except as noted]

Year and month	Adjusted for changes in reserve requirements ²					Borrowings of depository institutions from the Federal Reserve, NSA		
	Reserves of depository institutions				Monetary base	Total	Seasonal	Extended credit
	Total	Nonborrowed	Nonborrowed plus extended credit	Required				
December:								
1959	11,109	10,168	10,168	10,603	40,880	941	.....	.....
1960	11,247	11,172	11,172	10,503	40,977	74	.....	.....
1961	11,499	11,366	11,366	10,915	41,853	133	.....	.....
1962	11,604	11,344	11,344	11,033	42,957	260	.....	.....
1963	11,730	11,397	11,397	11,239	45,003	332	.....	.....
1964	12,011	11,747	11,747	11,605	47,161	264	.....	.....
1965	12,316	11,872	11,872	11,892	49,620	444	.....	.....
1966	12,223	11,690	11,690	11,884	51,565	532	.....	.....
1967	13,180	12,952	12,952	12,805	54,579	228	.....	.....
1968	13,767	13,021	13,021	13,341	58,357	746	.....	.....
1969	14,168	13,049	13,049	13,882	61,569	1,119	.....	.....
1970	14,558	14,225	14,225	14,309	65,013	332	.....	.....
1971	15,230	15,104	15,104	15,049	69,108	126	.....	.....
1972	16,645	15,595	15,595	16,361	75,167	1,050	.....	.....
1973	17,021	15,723	15,723	16,717	81,073	1,298	41	.....
1974	17,550	16,823	16,970	17,292	87,535	727	32	147
1975	17,822	17,692	17,704	17,556	93,887	130	14	12
1976	18,388	18,335	18,335	18,115	101,515	53	13	.....
1977	18,990	18,420	18,420	18,800	110,324	569	55	.....
1978	19,753	18,885	18,885	19,521	120,445	868	135	.....
1979	20,720	19,248	19,248	20,279	131,143	1,473	82	.....
1980	22,015	20,325	20,328	21,501	142,004	1,690	116	3
1981	22,443	21,807	21,956	22,124	149,021	636	54	148
1982	23,600	22,966	23,152	23,100	160,127	634	33	186
1983	25,367	24,593	24,595	24,806	175,467	774	96	2
1984	26,912	23,726	26,330	26,078	187,235	3,186	113	2,604
1985	31,558	30,240	30,739	30,495	203,547	1,318	56	499
1986	38,826	37,999	38,302	37,652	223,415	827	38	303
1987	38,896	38,118	38,602	37,876	239,836	777	93	483
1988	40,435	38,719	39,963	39,373	256,875	1,716	130	1,244
1989	40,469	40,204	40,223	39,528	267,710	265	84	20
1990	41,748	41,422	41,445	40,083	293,249	326	76	23
1991	45,495	45,303	45,303	44,506	317,550	192	38	1
1992	54,395	54,272	54,272	53,242	350,935	124	18	1
1993	60,541	60,459	60,459	59,471	386,561	82	31	0
1994	59,433	59,224	59,224	58,274	418,218	209	100	0
1995	56,470	56,212	56,212	55,180	434,327	257	40	0
1996	50,173	50,018	50,018	48,757	451,617	155	68	0
1997	46,868	46,543	46,543	45,183	479,171	324	79	0
1998	45,189	45,073	45,073	43,676	512,749	117	15	0
1999	41,742	41,422	41,422	40,435	591,184	³ 320	67	0
1999: Jan	45,499	45,294	45,294	44,012	517,418	206	7	0
Feb	44,885	44,769	44,769	43,689	521,163	116	9	0
Mar	43,876	43,811	43,811	42,603	524,387	65	18	0
Apr	43,856	43,689	43,689	42,695	528,718	166	39	0
May	44,381	44,254	44,254	43,159	533,813	127	89	0
June	42,758	42,613	42,613	41,463	536,549	145	127	0
July	42,035	41,726	41,726	40,911	540,488	309	226	0
Aug	41,910	41,566	41,566	40,750	544,354	344	271	0
Sept	41,772	41,434	41,434	40,563	550,333	338	282	0
Oct	41,339	41,058	41,058	40,189	557,847	³ 281	221	0
Nov	41,560	41,325	41,325	40,231	569,433	² 236	71	0
Dec	41,742	41,422	41,422	40,435	591,184	³ 320	67	0
2000: Jan	43,116	42,742	42,742	41,095	591,998	³ 374	31	0
Feb	41,636	41,529	41,529	40,525	573,593	³ 108	44	0
Mar	40,463	40,284	40,284	39,258	571,441	³ 179	71	0
Apr	40,929	40,625	40,625	39,784	573,083	304	120	0
May	41,357	40,995	40,995	40,414	574,288	362	276	0
June	39,958	39,478	39,478	38,894	575,630	479	389	0
July	40,258	39,688	39,688	39,190	577,412	570	510	0
Aug	39,944	39,365	39,365	38,930	577,693	579	554	0
Sept	39,861	39,384	39,384	38,759	579,255	477	427	0
Oct	39,540	39,122	39,122	38,411	580,814	418	299	0
Nov ^p	39,433	39,150	39,150	38,242	579,759	283	159	0

¹ Data are prorated averages of biweekly (maintenance period) averages of daily figures.

² Aggregate reserves incorporate adjustments for discontinuities associated with regulatory changes to reserve requirements. For details on aggregate reserves series see *Federal Reserve Bulletin*.

³ Total includes borrowing under the terms and conditions established for the Century Date Change Special Liquidity Facility in effect from October 1, 1999 through April 7, 2000.

Note.—NSA indicates data are not seasonally adjusted.

Data are as released on December 14, 2000.

Source: Board of Governors of the Federal Reserve System.

TABLE B-72.—*Bank credit at all commercial banks, 1973–2000*[Monthly average; billions of dollars, seasonally adjusted ¹]

Year and month	Total bank credit	Securities in bank credit			Loans and leases in bank credit							
		Total securities	U.S. Government securities	Other securities	Total loans and leases ²	Commercial and industrial	Real estate			Consumer	Security	Other
							Total	Revolving home equity	Other			
December:												
1973	660.4	180.5	90.5	90.1	479.9	167.3	123.3	.....	123.3	100.9	10.9	77.5
1974	725.4	185.6	88.7	96.9	539.8	198.7	136.7	.....	136.7	104.8	10.4	89.2
1975	758.8	221.8	119.8	102.1	537.0	188.9	141.9	.....	141.9	107.4	12.4	86.4
1976	818.5	245.3	140.1	105.2	573.2	191.5	156.0	.....	156.0	119.0	17.3	89.5
1977	905.7	253.4	140.4	112.9	652.4	211.3	183.8	.....	183.8	141.4	20.3	95.5
1978	1,021.6	259.4	141.7	117.8	762.2	246.2	220.9	.....	220.9	168.3	19.0	107.9
1979	1,133.3	266.6	148.1	118.5	866.7	285.6	252.6	.....	252.6	188.8	17.1	122.6
1980	1,226.4	300.8	174.3	126.4	925.7	317.1	272.9	.....	272.9	182.1	16.8	136.8
1981	1,319.0	313.8	182.4	131.4	1,005.2	356.0	294.5	.....	294.5	185.0	19.6	150.1
1982	1,424.0	339.1	204.5	134.6	1,085.0	397.5	309.1	.....	309.1	190.9	22.9	164.4
1983	1,573.7	402.9	261.7	141.2	1,170.8	419.7	337.5	.....	337.5	215.7	25.5	172.4
1984	1,743.5	406.8	263.1	143.7	1,336.7	480.1	383.4	.....	383.4	256.6	32.7	183.8
1985	1,925.2	453.8	272.7	181.0	1,471.4	505.7	432.3	.....	432.3	296.6	40.8	196.0
1986	2,106.5	506.5	310.4	196.2	1,599.9	541.9	500.8	.....	500.8	316.1	36.7	204.4
1987	2,252.0	534.0	338.6	195.4	1,718.0	570.5	590.7	31.0	559.7	330.2	34.9	191.7
1988	2,430.3	562.6	367.6	195.0	1,867.7	611.1	675.3	42.7	632.6	354.5	39.8	187.0
1989	2,604.6	585.2	400.8	184.3	2,019.4	642.7	771.3	53.6	717.7	375.0	40.4	190.1
1990	2,751.5	634.3	456.4	177.9	2,117.2	645.5	858.7	66.5	792.2	380.5	44.5	188.0
1991	2,857.7	746.0	566.5	179.5	2,111.7	624.0	884.5	74.5	810.1	363.5	53.8	185.8
1992	2,956.6	841.5	665.0	176.5	2,115.1	600.3	906.9	78.6	828.3	355.9	63.9	188.1
1993	3,115.3	915.2	730.7	184.5	2,200.1	590.7	948.1	78.1	870.0	387.4	88.1	185.9
1994	3,321.6	940.2	722.2	218.0	2,381.4	650.7	1,011.4	80.6	930.9	447.8	77.5	194.0
1995	3,606.7	987.1	702.4	284.7	2,619.6	724.7	1,090.3	84.4	1,005.9	491.0	84.1	229.5
1996	3,761.6	980.1	699.6	280.6	2,781.5	787.9	1,142.1	90.7	1,051.4	512.4	76.4	262.7
1997	4,102.0	1,086.9	748.4	338.4	3,015.2	855.2	1,247.3	104.7	1,142.6	502.3	96.2	314.1
1998	4,539.4	1,225.6	792.7	433.0	3,313.8	948.7	1,337.6	103.7	1,233.8	497.2	148.3	381.9
1999	4,773.9	1,272.5	808.4	464.1	3,501.3	1,001.9	1,475.1	101.4	1,373.7	490.5	153.3	380.6
1999: Jan	4,527.4	1,216.1	795.6	420.5	3,311.3	949.5	1,344.1	103.3	1,240.7	497.9	142.1	377.6
Feb	4,517.4	1,209.4	794.5	414.9	3,308.1	948.2	1,347.1	103.0	1,244.1	496.7	136.3	379.8
Mar	4,497.0	1,193.8	801.3	392.5	3,303.2	952.5	1,348.3	103.3	1,245.0	495.6	123.5	383.3
Apr	4,508.6	1,195.9	802.1	393.8	3,312.7	957.2	1,352.3	104.6	1,247.6	497.3	122.9	383.0
May	4,522.7	1,196.4	802.7	393.7	3,326.4	955.6	1,364.1	105.9	1,258.2	494.1	128.0	384.6
June	4,564.8	1,218.8	813.0	405.8	3,346.0	962.5	1,371.0	104.7	1,266.3	489.6	130.7	392.1
July	4,570.1	1,235.0	815.8	419.2	3,335.1	964.7	1,374.7	99.2	1,275.5	486.2	123.3	386.2
Aug	4,597.2	1,246.1	817.8	428.3	3,351.1	971.0	1,386.8	100.3	1,286.5	484.3	123.3	385.7
Sept	4,618.2	1,246.6	816.4	430.2	3,371.6	975.9	1,404.2	100.2	1,304.0	483.6	118.3	389.7
Oct	4,636.2	1,253.9	814.3	439.6	3,382.3	980.1	1,422.3	100.0	1,322.3	481.4	109.7	388.8
Nov	4,694.0	1,249.5	801.9	447.6	3,444.5	996.0	1,436.9	100.8	1,336.1	482.7	133.7	395.2
Dec	4,773.9	1,272.5	808.4	464.1	3,501.3	1,001.9	1,475.1	101.4	1,373.7	490.5	153.3	380.6
2000: Jan	4,792.1	1,270.1	812.5	457.6	3,522.0	1,009.5	1,492.2	104.4	1,387.8	495.7	143.4	381.3
Feb	4,837.9	1,272.3	814.9	457.4	3,565.6	1,023.2	1,510.4	106.3	1,404.1	500.1	142.9	389.1
Mar	4,886.8	1,283.4	815.4	468.0	3,603.4	1,029.8	1,532.4	108.7	1,423.7	503.0	143.2	395.0
Apr	4,938.4	1,295.2	814.1	481.0	3,643.2	1,037.9	1,556.3	112.3	1,444.0	506.6	144.0	398.6
May	5,005.5	1,313.8	815.4	498.4	3,691.7	1,058.1	1,580.3	114.7	1,465.5	509.3	144.8	399.2
June	5,041.7	1,313.5	818.5	494.4	3,728.3	1,066.6	1,598.4	115.7	1,482.7	516.0	149.4	397.8
July	5,079.7	1,318.5	820.7	497.8	3,761.2	1,072.1	1,614.4	117.0	1,497.4	519.6	151.5	403.5
Aug	5,121.5	1,321.9	813.8	508.1	3,799.6	1,079.9	1,624.5	118.3	1,506.2	528.1	159.1	408.1
Sept	5,170.9	1,332.5	808.2	524.3	3,838.4	1,079.9	1,636.5	119.8	1,516.7	531.4	182.8	407.8
Oct	5,145.4	1,310.4	793.2	517.2	3,835.0	1,079.0	1,634.5	122.9	1,511.6	531.3	180.5	409.7
Nov	5,157.8	1,303.0	782.7	520.2	3,854.8	1,080.3	1,645.8	124.6	1,521.2	535.1	182.2	411.4

¹ Data are prorated averages of Wednesday values for domestically chartered commercial banks, branches and agencies of foreign banks, New York State investment companies (through September 1996), and Edge Act and agreement corporations.

² Excludes Federal funds sold to, reverse repurchase agreements (RPs) with, and loans to commercial banks in the United States.

Source: Board of Governors of the Federal Reserve System.

TABLE B-73.—*Bond yields and interest rates, 1929–2000*

[Percent per annum]

Year and month	U.S. Treasury securities					Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	New-home mortgage yields ³	Commercial paper, 6 months ⁴	Prime rate charged by banks ⁵	Discount rate, Federal Reserve Bank of New York ⁵	Federal funds rate ⁶						
	Bills (new issues) ¹		Constant maturities ²			Aaa	Baa												
	3-month	6-month	3-year	10-year	30-year														
1929 .....	.....	.....	.....	.....	.....	4.73	5.90	4.27	.....	5.85	5.50-6.00	5.16	.....					
1933	0.515	.....	.....	.....	.....	4.49	7.76	4.71	.....	1.73	1.50-4.00	2.56	.....					
1939 .....	.023	.....	.....	.....	.....	3.01	4.96	2.76	.....	.59	1.50	1.00	.....					
1940 .....	.014	.....	.....	.....	.....	2.84	4.75	2.50	.....	.56	1.50	1.00	.....					
1941 .....	.103	.....	.....	.....	.....	2.77	4.33	2.10	.....	.53	1.50	1.00	.....					
1942 .....	.326	.....	.....	.....	.....	2.83	4.28	2.36	.....	.66	1.50	1.00	.....					
1943 .....	.373	.....	.....	.....	.....	2.73	3.91	2.06	.....	.69	1.50	1.00	.....					
1944 .....	.375	.....	.....	.....	.....	2.72	3.61	1.86	.....	.73	1.50	1.00	.....					
1945 .....	.375	.....	.....	.....	.....	2.62	3.29	1.67	.....	.75	1.50	1.00	.....					
1946 .....	.375	.....	.....	.....	.....	2.53	3.05	1.64	.....	.81	1.50	1.00	.....					
1947 .....	.594	.....	.....	.....	.....	2.61	3.24	2.01	.....	1.03	1.50-1.75	1.00	.....					
1948	1.040	.....	.....	.....	.....	2.82	3.47	2.40	.....	1.44	1.75-2.00	1.34	.....					
1949	1.102	.....	.....	.....	.....	2.66	3.42	2.21	.....	1.49	2.00	1.50	.....					
1950	1.218	.....	.....	.....	.....	2.62	3.24	1.98	.....	1.45	2.07	1.59	.....					
1951	1.552	.....	.....	.....	.....	2.86	3.41	2.00	.....	2.16	2.56	1.75	.....					
1952	1.766	.....	.....	.....	.....	2.96	3.52	2.19	.....	2.33	3.00	1.75	.....					
1953	1.931	.....	2.47	2.85	.....	3.20	3.74	2.72	.....	2.52	3.17	1.99	.....					
1954 .....	.953	.....	1.63	2.40	.....	2.90	3.51	2.37	.....	1.58	3.05	1.60	.....					
1955	1.753	.....	2.47	2.82	.....	3.06	3.53	2.53	.....	2.18	3.16	1.89	1.78			
1956	2.658	.....	3.19	3.18	.....	3.36	3.88	2.93	.....	3.31	3.77	2.77	2.73			
1957	3.267	.....	3.98	3.65	.....	3.89	4.71	3.60	.....	3.81	4.20	3.12	3.11			
1958	1.839	.....	2.84	3.32	.....	3.79	4.73	3.56	.....	2.46	3.83	2.15	1.57			
1959	3.405	3.832	4.46	4.33	.....	4.38	5.05	3.95	.....	3.97	4.48	3.36	3.30				
1960	2.928	3.247	3.98	4.12	.....	4.41	5.19	3.73	.....	3.85	4.82	3.53	3.22				
1961	2.378	2.605	3.54	3.88	.....	4.35	5.08	3.46	.....	2.97	4.50	3.00	1.96				
1962	2.778	2.908	3.47	3.95	.....	4.33	5.02	3.18	.....	3.26	4.50	3.00	2.68				
1963	3.157	3.253	3.67	4.00	.....	4.26	4.86	3.23	5.89	3.55	4.50	3.23	3.18					
1964	3.549	3.686	4.03	4.19	.....	4.40	4.83	3.22	5.83	3.97	4.50	3.55	3.50					
1965	3.954	4.055	4.22	4.28	.....	4.49	4.87	3.27	5.81	4.38	4.54	4.04	4.07					
1966	4.881	5.082	5.23	4.92	.....	5.13	5.67	3.82	6.25	5.55	5.63	4.50	5.11					
1967	4.321	4.630	5.03	5.07	.....	5.51	6.23	3.98	6.46	5.10	5.61	4.19	4.22					
1968	5.339	5.470	5.68	5.65	.....	6.18	6.94	4.51	6.97	5.90	6.30	5.16	5.66					
1969	6.677	6.853	7.02	6.67	.....	7.03	7.81	5.81	7.81	7.83	7.96	5.87	8.20					
1970	6.458	6.562	7.29	7.35	.....	8.04	9.11	6.51	8.45	7.71	7.91	5.95	7.18					
1971	4.348	4.511	5.65	6.16	.....	7.39	8.56	5.70	7.74	5.11	5.72	4.88	4.66					
1972	4.071	4.466	5.72	6.21	.....	7.21	8.16	5.27	7.60	4.73	5.25	4.50	4.43					
1973	7.041	7.178	6.95	6.84	.....	7.44	8.24	5.18	7.96	8.15	8.03	6.44	8.73					
1974	7.886	7.926	7.82	7.56	.....	8.57	9.50	6.09	8.92	9.84	10.81	7.83	10.50					
1975	5.838	6.122	7.49	7.99	.....	8.83	10.61	6.89	9.00	6.32	7.86	6.25	5.82					
1976	4.989	5.266	6.77	7.61	.....	8.43	9.75	6.49	9.00	5.34	6.84	5.50	5.04					
1977	5.265	5.510	6.69	7.42	7.75	8.02	8.97	5.56	9.02	5.61	6.83	5.46	5.54						
1978	7.221	7.572	8.29	8.41	8.49	8.73	9.49	5.90	9.56	7.99	9.06	7.46	7.93						
1979	10.041	10.017	9.71	9.44	9.28	9.63	10.69	6.39	10.78	10.91	12.67	10.28	11.19						
1980	11.506	11.374	11.55	11.46	11.27	11.94	13.67	8.51	12.66	12.29	15.27	11.77	13.36						
1981	14.029	13.776	14.44	13.91	13.45	14.17	16.04	11.23	14.70	14.76	18.87	13.42	16.38						
1982	10.686	11.084	12.92	13.00	12.76	13.79	16.11	11.57	15.14	11.89	14.86	11.02	12.26						
1983	8.63	8.75	10.45	11.10	11.18	12.04	13.55	9.47	12.57	8.89	10.79	8.50	9.09						
1984	9.58	9.80	11.89	12.44	12.41	12.71	14.19	10.15	12.38	10.16	12.04	8.80	10.23						
1985	7.48	7.66	9.64	10.62	10.79	11.37	12.72	9.18	11.55	8.01	9.93	7.69	8.10						
1986	5.98	6.03	7.06	7.68	7.78	9.02	10.39	7.38	10.17	6.39	8.33	6.33	6.81						
1987	5.82	6.05	7.68	8.39	8.59	9.38	10.58	7.73	9.31	6.85	8.21	5.66	6.66						
1988	6.69	6.92	8.26	8.85	8.96	9.71	10.83	7.76	9.19	7.68	9.32	6.20	7.57						
1989	8.12	8.04	8.55	8.49	8.45	9.26	10.18	7.24	10.13	8.80	10.87	6.93	9.21						
1990	7.51	7.47	8.26	8.55	8.61	9.32	10.36	7.25	10.05	7.95	10.01	6.98	8.10						
1991	5.42	5.49	6.82	7.86	8.14	8.77	9.80	6.89	9.32	5.85	8.46	5.45	5.69						
1992	3.45	3.57	5.30	7.01	7.67	8.14	8.98	6.41	8.24	3.80	6.25	3.25	3.52						
1993	3.02	3.14	4.44	5.87	6.59	7.22	7.93	5.63	7.20	3.30	6.00	3.00	3.02						
1994	4.29	4.66	6.27	7.09	7.37	7.96	8.62	6.19	7.49	4.93	7.15	3.60	4.21						
1995	5.51	5.59	6.25	6.57	6.88	7.59	8.20	5.95	7.87	5.93	8.83	5.21	5.83						
1996	5.02	5.09	5.99	6.44	6.71	7.37	8.05	5.75	7.80	5.42	8.27	5.02	5.30						
1997	5.07	5.18	6.10	6.35	6.61	7.26	7.86	5.55	7.71	5.62	8.44	5.00	5.46						
1998	4.81	4.85	5.14	5.26	5.58	6.53	7.22	5.12	7.07	.....	8.35	4.92	5.35					
1999	4.66	4.76	5.49	5.65	5.87	7.04	7.87	5.43	7.04	.....	8.00	4.62	4.97					

¹ Rate on new issues within period; bank-discount basis.² Yields on the more actively traded issues adjusted to constant maturities by the Department of the Treasury.³ Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assuming, on the average, repayment at end of 10 years. Rates beginning January 1973 not strictly comparable with prior rates.⁴ Bank-discount basis; prior to November 1979, data are for 4-6 months paper. Series no longer published by Federal Reserve (FR). See FR release H.15 *Selected Interest Rates* dated May 12, 1997.⁵ For monthly data, high and low for the period. Prime rate for 1929-33 and 1947-48 are ranges of the rate in effect during the period.

See next page for continuation of table.

TABLE B-73.—*Bond yields and interest rates, 1929–2000—Continued*

[Percent per annum]

Year and month	U.S. Treasury securities					Corporate bonds (Moody's)		High-grade municipal bonds (Standard & Poor's)	New-home mortgage yields ³	Commercial paper, 6 months ⁴	Prime rate charged by banks ⁵	Discount rate, Federal Reserve Bank of New York ⁵	Federal funds rate ⁶						
	Bills (new issues) ¹		Constant maturities ²			Aaa	Baa												
	3-month	6-month	3-year	10-year	30-year														
											High-low	High-low							
1996:																			
Jan	5.02	4.97	5.20	5.65	6.05	6.81	7.47	5.42	7.32	5.23	8.50-8.50	5.25-5.00	5.56						
Feb	4.87	4.79	5.14	5.81	6.24	6.99	7.63	5.45	7.20	4.99	8.50-8.25	5.00-5.00	5.22						
Mar	4.96	4.96	5.79	6.27	6.60	7.35	8.03	5.82	7.49	5.26	8.25-8.25	5.00-5.00	5.31						
Apr	4.99	5.08	6.11	6.51	6.79	7.50	8.19	5.93	7.76	5.38	8.25-8.25	5.00-5.00	5.22						
May	5.02	5.12	6.27	6.74	6.93	7.62	8.30	5.98	7.80	5.42	8.25-8.25	5.00-5.00	5.24						
June	5.11	5.26	6.49	6.91	7.06	7.71	8.40	6.03	8.05	5.57	8.25-8.25	5.00-5.00	5.27						
July	5.17	5.32	6.45	6.87	7.03	7.65	8.35	5.91	8.01	5.67	8.25-8.25	5.00-5.00	5.40						
Aug	5.09	5.17	6.21	6.64	6.84	7.46	8.18	5.72	8.08	5.51	8.25-8.25	5.00-5.00	5.22						
Sept	5.15	5.29	6.41	6.83	7.03	7.66	8.35	5.86	7.98	5.66	8.25-8.25	5.00-5.00	5.30						
Oct	5.01	5.12	6.08	6.53	6.81	7.39	8.07	5.71	7.95	5.45	8.25-8.25	5.00-5.00	5.24						
Nov	5.03	5.07	5.82	6.20	6.48	7.10	7.79	5.59	7.80	5.40	8.25-8.25	5.00-5.00	5.31						
Dec	4.87	5.02	5.91	6.30	6.55	7.20	7.89	5.62	7.79	5.44	8.25-8.25	5.00-5.00	5.29						
1997:																			
Jan	5.05	5.11	6.16	6.58	6.83	7.42	8.09	5.72	7.81	5.48	8.25-8.25	5.00-5.00	5.25						
Feb	5.00	5.05	6.03	6.42	6.69	7.31	7.94	5.63	7.78	5.42	8.25-8.25	5.00-5.00	5.19						
Mar	5.14	5.24	6.38	6.69	6.93	7.55	8.18	5.78	7.88	5.61	8.50-8.25	5.00-5.00	5.39						
Apr	5.17	5.35	6.61	6.89	7.09	7.73	8.34	5.88	8.03	5.79	8.50-8.50	5.00-5.00	5.51						
May	5.13	5.35	6.42	6.71	6.94	7.58	8.20	5.71	8.01	5.78	8.50-8.50	5.00-5.00	5.50						
June	4.92	5.14	6.24	6.49	6.77	7.41	8.02	5.60	7.95	5.69	8.50-8.50	5.00-5.00	5.56						
July	5.07	5.12	6.00	6.22	6.51	7.14	7.75	5.41	7.78	5.60	8.50-8.50	5.00-5.00	5.52						
Aug	5.13	5.17	6.06	6.30	6.58	7.22	7.82	5.47	7.59	5.59	8.50-8.50	5.00-5.00	5.54						
Sept	4.97	5.11	5.98	6.21	6.50	7.15	7.70	5.38	7.61	.....	8.50-8.50	5.00-5.00	5.54					
Oct	4.95	5.09	5.84	6.03	6.33	7.00	7.57	5.37	7.54	.....	8.50-8.50	5.00-5.00	5.50					
Nov	5.15	5.17	5.76	5.88	6.11	6.87	7.42	5.38	7.40	.....	8.50-8.50	5.00-5.00	5.52					
Dec	5.16	5.24	5.74	5.81	5.99	6.76	7.32	5.22	7.40	.....	8.50-8.50	5.00-5.00	5.50					
1998:																			
Jan	5.09	5.07	5.38	5.54	5.81	6.61	7.19	5.07	7.27	.....	8.50-8.50	5.00-5.00	5.56					
Feb	5.11	5.07	5.43	5.57	5.89	6.67	7.25	5.16	7.24	.....	8.50-8.50	5.00-5.00	5.51					
Mar	5.03	5.04	5.57	5.65	5.95	6.71	7.32	5.30	7.17	.....	8.50-8.50	5.00-5.00	5.49					
Apr	5.00	5.08	5.58	5.64	5.92	6.69	7.33	5.33	7.19	.....	8.50-8.50	5.00-5.00	5.45					
May	5.03	5.15	5.61	5.65	5.93	6.69	7.30	5.21	7.18	.....	8.50-8.50	5.00-5.00	5.49					
June	4.99	5.12	5.52	5.50	5.70	6.53	7.13	5.13	7.16	.....	8.50-8.50	5.00-5.00	5.56					
July	4.96	5.03	5.47	5.46	5.68	6.55	7.15	5.18	7.13	.....	8.50-8.50	5.00-5.00	5.54					
Aug	4.94	4.97	5.24	5.34	5.54	6.52	7.14	5.13	7.09	.....	8.50-8.50	5.00-5.00	5.55					
Sept	4.74	4.75	4.62	4.81	5.20	6.40	7.09	4.98	6.98	.....	8.50-8.25	5.00-5.00	5.51					
Oct	4.08	4.15	4.18	4.53	5.01	6.37	7.18	4.90	6.85	.....	8.25-8.00	5.00-4.75	5.07					
Nov	4.44	4.43	4.57	4.83	5.25	6.41	7.34	5.06	6.80	.....	8.00-7.75	4.75-4.50	4.83					
Dec	4.42	4.43	4.48	4.65	5.06	6.22	7.23	5.00	6.94	.....	7.75-7.75	4.50-4.50	4.68					
1999:																			
Jan	4.34	4.36	4.61	4.72	5.16	6.24	7.29	5.04	6.96	.....	7.75-7.75	4.50-4.50	4.63					
Feb	4.45	4.43	4.90	5.00	5.37	6.40	7.39	5.03	6.92	.....	7.75-7.75	4.50-4.50	4.76					
Mar	4.48	4.52	5.11	5.23	5.58	6.62	7.53	5.10	6.86	.....	7.75-7.75	4.50-4.50	4.81					
Apr	4.28	4.36	5.03	5.18	5.55	6.64	7.48	5.07	6.85	.....	7.75-7.75	4.50-4.50	4.74					
May	4.51	4.55	5.33	5.54	5.81	6.93	7.72	5.17	6.89	.....	7.75-7.75	4.50-4.50	4.74					
June	4.59	4.81	5.70	5.90	6.04	7.23	8.02	5.34	7.03	.....	7.75-7.75	4.50-4.50	4.76					
July	4.60	4.62	5.62	5.79	5.98	7.19	7.95	5.36	7.29	.....	8.00-8.00	4.50-4.50	4.99					
Aug	4.76	4.88	5.77	5.94	6.07	7.40	8.15	5.59	7.09	.....	8.25-8.00	4.75-4.50	5.07					
Sept	4.73	4.91	5.75	5.92	6.07	7.39	8.20	5.70	7.09	.....	8.25-8.25	4.75-4.75	5.22					
Oct	4.88	4.98	5.94	6.11	6.26	7.55	8.38	5.92	7.17	.....	8.25-8.25	4.75-4.75	5.20					
Nov	5.07	5.17	5.92	6.03	6.15	7.36	8.15	5.85	7.24	.....	8.50-8.25	5.00-4.75	5.42					
Dec	5.23	5.43	6.14	6.28	6.35	7.55	8.19	5.93	7.28	.....	8.50-8.50	5.00-5.00	5.30					
2000:																			
Jan	5.34	5.52	6.49	6.66	6.63	7.78	8.33	6.10	7.45	.....	8.50-8.50	5.00-5.00	5.45					
Feb	5.57	5.75	6.65	6.52	6.23	7.68	8.29	6.06	7.54	.....	8.75-8.50	5.25-5.00	5.73					
Mar	5.72	5.85	6.53	6.26	6.05	7.68	8.37	5.89	7.60	.....	9.00-8.75	5.50-5.25	5.85					
Apr	5.67	5.82	6.36	5.99	5.85	7.64	8.40	5.76	7.63	.....	9.00-9.00	5.50-5.50	6.02					
May	5.92	6.12	6.77	6.44	6.15	7.99	8.90	6.04	7.55	.....	9.50-9.00	6.00-5.50	6.27					
June	5.74	6.02	6.43	6.10	5.93	7.67	8.48	5.84	7.50	.....	9.50-9.50	6.00-6.00	6.53					
July	5.93	5.99	6.28	6.05	5.85	7.65	8.35	5.72	7.51	.....	9.50-9.50	6.00-6.00	6.54					
Aug	6.11	6.09	6.17	5.83	5.72	7.55	8.26	5.63	7.54	.....	9.50-9.50	6.00-6.00	6.50					
Sept	6.00	5.98	6.02	5.80	5.83	7.62	8.35	5.64	7.52	.....	9.50-9.50	6.00-6.00	6.52					
Oct	6.10	6.04	5.85	5.74	5.80	7.55	8.34	5.65	7.53	.....	9.50-9.50	6.00-6.00	6.51					
Nov	6.19	6.07	5.79	5.72	5.78	7.45	8.28	5.60	.....	.....	9.50-9.50	6.00-6.00	6.51				

⁶ Since July 19, 1975, the daily effective rate is an average of the rates on a given day weighted by the volume of transactions at these rates. Prior to that date, the daily effective rate was the rate considered most representative of the day's transactions, usually the one at which most transactions occurred.

⁷ From October 30, 1942, to April 24, 1946, a preferential rate of 0.50 percent was in effect for advances secured by Government securities maturing in 1 year or less.

Sources: Department of the Treasury, Board of Governors of the Federal Reserve System, Federal Housing Finance Board, Moody's Investors Service, and Standard & Poor's.

TABLE B-74.—*Credit market borrowing, 1991–2000*
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Item	1991	1992	1993	1994	1995	1996	1997	1998	1999
NONFINANCIAL SECTORS									
DOMESTIC	465.3	524.2	581.3	559.3	711.3	731.4	804.3	1,042.9	1,120.4
FEDERAL GOVERNMENT	278.2	304.0	256.1	155.9	144.4	145.0	23.1	-52.6	-71.2
Treasury securities	292.0	303.8	248.3	155.7	142.9	146.6	23.2	-54.6	-71.0
Budget agency securities and mortgages	-13.8	.2	7.8	.2	1.5	-1.6	-.1	2.0	-.2
NONFEDERAL, BY INSTRUMENT	187.0	220.2	325.2	403.4	566.9	586.3	781.2	1,095.5	1,191.6
Commercial paper	-18.4	8.6	10.0	21.4	18.1	-.9	13.7	24.4	37.4
Municipal securities and loans ..	87.8	30.5	74.8	-35.9	-48.2	2.6	71.4	96.8	68.2
Corporate bonds	78.8	67.6	75.2	23.3	91.1	116.3	150.5	218.7	229.9
Bank loans n.e.c.	-42.3	-12.0	6.4	75.2	103.7	70.5	106.5	108.2	82.7
Other loans and advances	-55.4	5.7	-18.9	34.0	67.2	33.5	69.1	74.3	71.2
Mortgages	147.2	113.6	119.3	160.5	196.0	275.7	317.5	505.5	607.8
Home	164.4	169.5	160.1	183.2	180.7	242.5	252.3	386.9	432.3
Multifamily residential	-4.0	-12.6	-5.7	-3.6	5.8	9.4	8.3	20.3	40.2
Commercial	-13.4	-43.9	-36.2	-21.3	7.9	21.3	53.7	92.0	129.9
Farm .....	.3	.5	1.0	2.2	1.6	2.6	3.2	6.2	5.5
Consumer credit	-10.7	6.1	58.4	124.9	138.9	88.8	52.5	67.6	94.4
NONFEDERAL, BY SECTOR	187.0	220.2	325.2	403.4	566.9	586.3	781.2	1,095.5	1,191.6
Household sector	183.6	183.7	218.3	318.5	363.2	358.1	345.8	488.1	548.1
Nonfinancial business	-81.9	12.4	40.7	131.2	255.1	235.0	379.3	527.1	591.2
Corporate	-52.9	39.6	40.2	123.7	228.0	148.8	266.1	416.3	480.3
Nonfarm noncorporate	-31.0	-27.6	-2.1	3.1	24.3	81.4	107.0	103.2	105.7
Farm	2.0	.5	2.6	4.4	2.9	4.8	6.2	7.7	5.2
State and local governments	85.4	24.1	66.2	-46.2	-51.5	-6.8	56.1	80.3	52.3
FOREIGN BORROWING IN THE UNITED STATES	15.1	24.1	69.8	-13.9	78.5	88.4	71.8	43.3	25.3
Commercial paper	6.8	5.6	-9.6	-26.1	13.5	11.3	3.7	7.8	16.3
Bonds	15.0	16.8	82.9	12.2	57.1	67.0	61.4	34.8	14.2
Bank loans n.e.c.	3.1	2.3	.7	1.4	8.5	9.1	8.5	6.7	.5
Other loans and advances	-9.8	-.6	-4.2	-1.4	-.5	1.0	-1.8	-6.0	-5.7
NONFINANCIAL DOMESTIC AND FOREIGN BORROWING	480.4	548.3	651.1	545.3	789.8	819.8	876.1	1,086.2	1,145.7
FINANCIAL SECTORS									
BY INSTRUMENT	170.9	244.0	294.4	468.4	453.9	545.8	653.7	1,073.9	1,087.9
Federal Government related	145.7	155.8	165.3	287.5	204.1	231.5	212.8	470.9	592.0
Government-sponsored enterprise securities	9.2	40.3	80.6	176.9	105.9	90.4	98.4	278.3	318.2
Mortgage pool securities	136.6	115.6	84.7	115.4	98.2	141.1	114.5	192.6	273.8
U.S. Government loans	-.0	-.0	0	-4.8	0	0	0	0	0
Private financial sectors	25.1	88.2	129.1	180.9	249.8	314.4	440.9	603.0	495.9
Open market paper	-32.3	-1.1	-5.5	40.5	42.7	92.2	166.7	161.0	176.2
Corporate bonds	86.9	88.6	123.1	121.8	195.9	173.8	210.5	296.9	221.8
Bank loans n.e.c.	7.3	.7	-14.4	-13.7	2.5	12.6	13.2	30.1	-14.3
Other loans and advances	-37.3	-.6	22.4	22.6	3.4	27.9	35.6	90.2	107.1
Mortgages .....	.5	.6	3.6	9.8	5.3	7.9	14.9	24.8	5.1
BY SECTOR	170.9	244.0	294.4	468.4	453.9	545.8	653.7	1,073.9	1,087.9
Commercial banking	-13.2	10.0	13.4	20.1	22.5	13.0	46.1	72.9	67.2
Savings institutions	-44.7	-7.0	11.3	12.8	2.6	25.5	19.7	52.2	48.0
Government-sponsored enterprises	9.1	40.2	80.6	172.1	105.9	90.4	98.4	278.3	318.2
Federally related mortgage pools	136.6	115.6	84.7	115.4	98.2	141.1	114.5	192.6	273.8
Asset-backed securities issuers	68.7	61.9	85.4	76.5	142.4	150.8	202.2	321.4	234.0
Finance companies	16.0	-3.1	-1.4	48.7	50.2	45.9	48.7	43.0	62.4
Funding corporations	-4.0	16.2	6.3	23.1	34.9	64.1	80.7	40.7	92.2
Other ¹	2.2	10.4	14.1	-.2	-2.8	15.1	43.5	72.7	-7.8
ALL SECTORS									
BY INSTRUMENT	651.3	792.3	945.5	1,013.8	1,243.8	1,365.6	1,529.8	2,160.1	2,233.6
Open market paper	-44.0	13.1	-5.1	35.7	74.3	102.6	184.1	193.1	229.9
U.S. Government securities	424.0	459.8	421.4	448.1	348.5	376.5	235.9	418.3	520.8
Municipal securities	87.8	30.5	74.8	-35.9	-48.2	2.6	71.4	96.8	68.2
Corporate and foreign bonds	180.7	172.9	281.2	157.3	344.1	357.0	422.4	550.4	465.9
Bank loans n.e.c.	-31.8	-8.9	-7.2	62.9	114.7	92.1	128.2	145.0	68.9
Other loans and advances	-102.4	4.6	-.8	50.4	70.1	62.5	102.8	158.5	172.6
Mortgages	147.7	114.2	122.9	170.3	201.3	283.6	332.4	530.3	612.9
Consumer credit	-10.7	6.1	58.4	124.9	138.9	88.8	52.5	67.6	94.4

¹ Credit unions, life insurance companies, mortgage companies, real estate investment trusts, and brokers and dealers.

See next page for continuation of table.

TABLE B-74.—*Credit market borrowing, 1991–2000—Continued*
 [Billions of dollars; quarterly data at seasonally adjusted annual rates]

Item	1999				2000		
	I	II	III	IV	I	II	III
NONFINANCIAL SECTORS							
DOMESTIC	1,277.7	938.8	1,170.1	1,094.8	940.7	958.3	758.5
FEDERAL GOVERNMENT	-83.4	-98.5	-71.4	-31.5	-215.5	-414.0	-219.0
Treasury securities	-81.9	-99.1	-71.5	-31.5	-213.5	-415.8	-216.6
Budget agency securities and mortgages	-1.5	.6	.0	.0	-2.1	1.8	-2.4
NONFEDERAL, BY INSTRUMENT	1,361.2	1,037.3	1,241.6	1,126.3	1,156.3	1,372.3	977.5
Commercial paper	58.3	-2.6	49.8	44.0	36.2	116.9	62.5
Municipal securities and loans	92.1	56.8	71.3	52.5	8.9	34.0	29.8
Corporate bonds	274.0	287.6	202.8	155.2	186.2	153.8	184.4
Bank loans n.e.c.	86.0	24.0	112.3	108.6	131.9	163.1	32.0
Other loans and advances	148.0	2.3	79.2	55.4	162.1	104.3	-17.3
Mortgages	572.2	607.8	650.0	601.1	488.9	665.7	565.7
Home	411.2	440.1	479.4	398.3	343.9	496.6	443.4
Multifamily residential	35.5	33.1	44.2	47.9	32.3	43.9	23.6
Commercial	122.0	125.6	119.4	152.4	105.8	116.3	90.8
Farm	3.6	9.0	7.0	2.5	6.9	8.9	7.9
Consumer credit	130.5	61.4	76.2	109.5	142.0	134.6	120.4
NONFEDERAL, BY SECTOR	1,361.2	1,037.3	1,241.6	1,126.3	1,156.3	1,372.3	977.5
Household sector	562.7	526.4	589.5	513.6	534.7	650.4	564.8
Nonfinancial business	718.8	467.2	599.6	579.1	617.8	701.1	387.5
Corporate	625.2	371.6	468.2	456.1	500.5	581.4	292.7
Nonfarm noncorporate	88.6	93.9	122.9	117.4	102.5	111.4	87.2
Farm	4.9	1.7	8.5	5.6	14.7	8.3	7.6
State and local governments	79.8	43.6	52.5	33.6	3.8	20.8	25.2
FOREIGN BORROWING IN THE UNITED STATES	30.7	-24.5	77.3	17.6	116.9	-10.9	61.6
Commercial paper	18.0	-27.5	41.1	33.6	56.7	10.9	5.9
Bonds	15.4	.2	44.0	-2.7	45.7	-29.6	36.0
Bank loans n.e.c. ....	.9	5.6	-6.6	2.3	15.4	5.7	11.8
Other loans and advances	-3.5	-2.8	-1.1	-15.5	-9	2.0	7.8
NONFINANCIAL DOMESTIC AND FOREIGN BORROWING	1,308.5	914.3	1,247.5	1,112.4	1,057.6	947.4	820.1
FINANCIAL SECTORS							
BY INSTRUMENT	1,228.8	995.3	1,064.2	1,063.4	618.3	817.0	715.4
Federal Government related	589.5	576.6	651.6	550.3	249.2	370.4	504.4
Government-sponsored enterprise securities	193.0	304.7	407.1	367.9	104.9	248.9	279.3
Mortgage pool securities	396.6	271.9	244.5	182.4	144.3	121.6	225.1
U.S. Government loans	0	0	0	0	0	0	0
Private financial sectors	639.2	418.8	412.6	513.0	369.2	446.6	211.0
Open market paper	78.7	57.3	89.9	479.0	130.9	77.4	65.2
Corporate bonds	473.8	254.8	179.5	-21.0	166.5	230.7	177.2
Bank loans n.e.c.	-6.7	11.0	-5.9	-55.6	.3	5.4	-7
Other loans and advances	73.3	107.9	139.8	107.5	64.4	123.1	-36.7
Mortgages	20.1	-12.3	9.4	3.2	7.0	10.0	6.0
BY SECTOR	1,228.8	995.3	1,064.2	1,063.4	618.3	817.0	715.4
Commercial banking	46.1	61.5	107.0	54.1	72.4	113.2	17.4
Savings institutions	75.2	59.2	51.9	5.8	40.6	59.1	-17.2
Government-sponsored enterprises	193.0	304.7	407.1	367.9	104.9	248.9	279.3
Federally related mortgage pools	396.6	271.9	244.5	182.4	144.3	121.6	225.1
Asset-backed securities issuers	289.7	301.5	220.5	124.2	166.0	154.8	136.8
Finance companies	77.0	90.5	-17.2	99.2	52.3	103.9	96.9
Funding corporations	156.5	-66.2	27.9	250.6	-11.4	4.0	-46.2
Other ¹	-5.2	-27.7	22.6	-20.9	49.2	11.7	23.3
ALL SECTORS							
BY INSTRUMENT	2,537.2	1,909.6	2,311.7	2,175.8	1,676.0	1,764.4	1,535.5
Open market paper	155.1	27.2	180.7	556.6	223.7	205.1	133.6
U.S. Government securities	506.1	478.1	580.1	518.9	33.6	-43.5	285.4
Municipal securities	92.1	56.8	71.3	52.5	8.9	34.0	29.8
Corporate and foreign bonds	763.1	542.6	426.3	131.5	398.4	355.0	397.7
Bank loans n.e.c.	80.1	40.6	99.8	55.2	147.7	174.2	43.1
Other loans and advances	217.8	107.5	217.9	147.3	225.7	229.4	-46.2
Mortgages	592.4	595.6	659.4	604.3	496.0	675.6	571.7
Consumer credit	130.5	61.4	76.2	109.5	142.0	134.6	120.4

Source: Board of Governors of the Federal Reserve System.

TABLE B-75.—*Mortgage debt outstanding by type of property and of financing, 1945–2000*
[Billions of dollars]

End of year or quarter	All prop- er- ties	Farm prop- er- ties	Nonfarm properties				Nonfarm properties by type of mortgage					
			Total	1- to 4- family houses	Multi- family prop- er- ties	Com- mer- cial prop- er- ties	Government underwritten				Conventional ²	
							Total ¹	1- to 4-family houses			Total	1- to 4- family houses
								Total	FHA insured	VA guar- anteed		
1945	35.5	4.8	30.8	18.6	5.7	6.4	4.3	4.3	4.1	0.2	26.5	14.3
1946	41.8	4.9	36.9	23.0	6.1	7.7	6.3	6.1	3.7	2.4	30.6	16.9
1947	48.9	5.1	43.9	28.2	6.6	9.1	9.8	9.3	3.8	5.5	34.1	18.9
1948	56.2	5.3	50.9	33.3	7.5	10.2	13.6	12.5	5.3	7.2	37.3	20.8
1949	62.3	5.6	56.7	37.3	8.6	10.8	17.1	15.0	6.9	8.1	39.6	22.3
1950	72.7	6.0	66.6	45.1	10.1	11.5	22.1	18.8	8.5	10.3	44.6	26.2
1951	82.1	6.6	75.6	51.6	11.5	12.5	26.6	22.9	9.7	13.2	49.0	28.8
1952	91.4	7.2	84.2	58.6	12.3	13.4	29.3	25.4	10.8	14.6	55.0	33.2
1953	101.2	7.7	93.5	66.1	12.9	14.6	32.1	28.1	12.0	16.1	61.4	38.0
1954	113.7	8.1	105.6	75.8	13.5	16.3	36.2	32.1	12.8	19.3	69.4	43.7
1955	130.1	9.0	121.1	88.4	14.3	18.4	42.9	38.9	14.3	24.6	78.1	49.5
1956	144.7	9.8	134.8	99.2	14.9	20.8	47.8	43.9	15.5	28.4	87.0	55.3
1957	156.7	10.4	146.3	107.8	15.3	23.2	51.6	47.2	16.5	30.7	94.8	60.6
1958	172.0	11.1	160.9	117.9	16.8	26.2	55.2	50.1	19.7	30.4	105.8	67.8
1959	190.9	12.1	178.8	130.9	18.7	29.2	59.3	53.8	23.8	30.0	119.5	77.1
1960	207.5	12.8	194.7	141.9	20.3	32.4	62.3	56.4	26.7	29.7	132.3	85.5
1961	228.1	13.9	214.2	154.7	23.0	36.5	65.6	59.1	29.5	29.6	148.6	95.5
1962	251.6	15.2	236.4	169.4	25.8	41.2	69.4	62.2	32.3	29.9	167.1	107.3
1963	278.7	16.8	261.9	186.6	29.0	46.3	73.4	65.9	35.0	30.9	188.5	120.7
1964	306.2	18.9	287.3	203.6	33.6	50.1	77.2	69.2	38.3	30.9	210.1	134.3
1965	333.7	21.2	312.5	220.8	37.2	54.5	81.2	73.1	42.0	31.1	231.3	147.6
1966	356.9	23.1	333.8	233.3	40.3	60.3	84.1	76.1	44.8	31.3	249.7	157.2
1967	381.6	25.1	356.5	247.7	43.9	64.8	88.2	79.9	47.4	32.5	268.3	167.8
1968	411.5	27.5	383.9	265.2	47.3	71.4	93.4	84.4	50.6	33.8	290.5	180.8
1969	442.3	29.4	412.9	283.6	52.2	77.1	100.2	90.2	54.5	35.7	312.7	193.4
1970	474.4	30.5	443.9	298.0	60.1	85.8	109.2	97.3	59.9	37.3	334.7	200.7
1971	525.1	32.4	492.7	326.6	70.1	96.1	120.7	105.2	65.7	39.5	372.0	221.4
1972	598.1	35.4	562.8	367.2	82.7	112.9	131.1	113.0	68.2	44.7	431.7	254.2
1973	673.4	39.8	633.6	408.4	93.1	132.0	135.0	116.2	66.2	50.0	498.6	292.2
1974	734.0	44.9	689.1	441.5	100.0	147.6	140.2	121.3	65.1	56.2	548.8	320.2
1975	793.5	49.9	743.7	482.8	100.6	160.3	147.0	127.7	66.1	61.6	596.7	355.1
1976	880.3	55.4	824.9	547.1	105.7	172.1	154.1	133.5	66.5	67.0	670.8	413.6
1977	1,012.0	63.8	948.2	643.5	114.0	190.7	161.7	141.6	68.0	73.6	786.4	501.9
1978	1,164.6	72.8	1,091.9	754.5	124.9	212.4	176.4	153.4	71.4	82.0	915.5	601.1
1979	1,330.0	86.8	1,243.3	870.9	134.8	237.5	199.0	172.9	81.0	92.0	1,044.3	698.0
1980	1,464.8	97.5	1,367.3	968.7	140.9	257.7	225.1	195.2	93.6	101.6	1,142.2	773.6
1981	1,590.1	107.2	1,482.9	1,047.6	138.8	296.5	238.9	207.6	101.3	106.2	1,244.0	840.0
1982	1,675.5	111.3	1,564.2	1,094.0	140.6	329.6	248.9	217.9	108.0	109.9	1,315.3	876.1
1983	1,869.0	113.7	1,755.2	1,216.9	153.8	384.6	279.8	248.8	127.4	121.4	1,475.4	968.0
1984	2,113.1	112.4	2,000.7	1,358.0	176.8	465.9	294.8	265.9	136.7	129.1	1,705.8	1,092.1
1985	2,376.8	105.9	2,271.0	1,532.4	205.0	533.6	328.3	288.8	153.0	135.8	1,942.7	1,243.6
1986	2,663.2	95.1	2,568.2	1,737.7	238.1	592.3	370.5	328.6	185.5	143.1	2,197.7	1,409.1
1987	3,001.4	87.7	2,913.7	1,968.8	260.6	684.3	431.4	387.9	235.5	152.4	2,482.3	1,580.9
1988	3,319.5	83.0	3,236.6	2,206.0	277.2	753.3	459.7	414.2	258.8	155.4	2,776.9	1,791.9
1989	3,590.4	80.5	3,509.9	2,443.0	287.7	779.2	486.8	440.1	282.8	157.3	3,023.1	2,002.9
1990	3,807.9	78.9	3,729.0	2,646.6	285.6	796.8	517.9	470.9	310.9	160.0	3,211.1	2,175.7
1991	3,958.2	79.2	3,879.0	2,814.5	281.7	782.8	537.2	493.3	330.6	162.7	3,341.8	2,321.2
1992	4,073.9	79.7	3,994.1	2,984.7	269.3	740.1	533.3	489.8	326.0	163.8	3,460.8	2,494.9
1993	4,211.3	80.6	4,130.7	3,147.3	266.2	717.2	513.4	469.5	303.2	166.2	3,617.3	2,677.8
1994	4,383.1	83.0	4,300.1	3,330.2	265.3	704.6	559.3	514.2	336.8	177.3	3,740.8	2,816.0
1995	4,585.1	84.6	4,500.5	3,511.5	273.2	715.8	584.3	537.1	352.3	184.7	3,916.3	2,974.5
1996	4,868.3	87.1	4,781.2	3,718.7	288.8	773.6	620.3	571.2	379.2	192.0	4,160.8	3,147.5
1997	5,204.1	90.3	5,113.8	3,973.7	302.3	837.8	656.7	605.7	405.7	200.0	4,457.2	3,368.0
1998	5,737.2	96.5	5,640.7	4,362.7	332.1	945.8	674.1	623.8	417.9	205.9	4,966.6	3,738.9
1999	6,385.9	103.0	6,283.0	4,794.0	374.6	1,114.4	729.2	676.5	462.3	214.2	5,553.8	4,117.5
1998: I	5,322.7	91.3	5,231.4	4,064.4	309.3	857.7	662.6	611.6	410.4	201.2	4,568.8	3,452.8
1998: II	5,441.7	93.0	5,348.7	4,149.1	316.6	883.0	661.6	610.7	410.1	200.7	4,687.1	3,538.3
1998: III	5,579.7	94.4	5,485.4	4,253.7	322.9	908.7	670.2	619.8	417.3	202.5	4,815.1	3,633.9
1998: IV	5,737.2	96.5	5,640.7	4,362.7	332.1	945.8	674.1	623.8	417.9	205.9	4,966.6	3,738.9
1999: I	5,876.8	97.4	5,779.4	4,454.7	343.6	981.2	683.5	633.5	426.8	206.7	5,096.0	3,821.2
1999: II	6,028.9	99.6	5,929.3	4,567.8	350.9	1,010.6	696.8	644.7	435.6	209.1	5,232.5	3,923.0
1999: III	6,236.3	101.4	6,134.9	4,698.3	360.9	1,075.7	716.4	663.9	450.4	213.5	5,418.5	4,034.3
1999: IV	6,385.9	103.0	6,283.0	4,794.0	374.6	1,114.4	729.2	676.5	462.3	214.2	5,553.8	4,117.5
2000: I	6,481.5	103.7	6,377.8	4,853.8	382.4	1,141.6	741.6	688.5	472.7	215.8	5,636.2	4,165.3
2000: II	6,651.2	106.0	6,545.2	4,977.9	392.6	1,174.7	749.4	697.1	480.5	216.7	5,795.8	4,280.7
2000: III	6,803.2	107.2	6,696.0	5,104.7	399.9	1,191.5	.....	.....	.....	.....	.....	.....

¹ Includes FHA insured multifamily properties, not shown separately.

² Derived figures. Total includes commercial properties, and multifamily properties, not shown separately.

Source: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations.

TABLE B-76.—*Mortgage debt outstanding by holder, 1945–2000*

[Billions of dollars]

End of year or quarter	Total	Major financial institutions				Other holders	
		Total	Savings institu- tions ¹	Commer- cial banks ²	Life insur- ance com- panies	Federal and related agen- cies ³	Indi- viduals and others ⁴
1945	35.5	21.0	9.6	4.8	6.6	2.4	12.1
1946	41.8	26.0	11.5	7.2	7.2	2.0	13.8
1947	48.9	31.8	13.8	9.4	8.7	1.8	15.3
1948	56.2	37.8	16.1	10.9	10.8	1.8	16.6
1949	62.3	42.9	18.3	11.6	12.9	2.0	17.5
1950	72.7	51.7	21.9	13.7	16.1	2.6	18.4
1951	82.1	59.5	25.5	14.7	19.3	3.3	19.3
1952	91.4	67.0	29.8	16.0	21.3	3.9	20.4
1953	101.2	75.1	34.8	17.0	23.3	4.4	21.7
1954	113.7	85.8	41.1	18.7	26.0	4.7	23.2
1955	130.1	95.5	48.9	21.2	29.4	5.3	25.3
1956	144.7	111.4	55.5	22.9	33.0	6.2	27.1
1957	156.7	120.0	61.2	23.6	35.2	7.7	29.1
1958	172.0	131.7	68.9	25.8	37.1	8.0	32.3
1959	190.9	145.6	78.1	28.2	39.2	10.2	35.1
1960	207.5	157.6	86.9	28.9	41.8	11.5	38.4
1961	228.1	172.7	98.0	30.6	44.2	12.2	43.1
1962	251.6	192.6	111.1	34.7	46.9	12.6	46.3
1963	278.7	217.4	127.2	39.6	50.5	11.8	49.5
1964	306.2	241.3	141.9	44.3	55.2	12.2	52.7
1965	333.7	265.0	154.9	50.0	60.0	13.5	55.2
1966	356.9	281.2	161.8	54.8	64.6	17.5	58.2
1967	381.6	299.2	172.3	59.5	67.4	20.9	61.4
1968	411.5	320.3	184.3	66.1	70.0	25.1	66.1
1969	442.3	339.8	196.4	71.4	72.0	31.1	71.4
1970	474.4	356.7	208.3	74.1	74.4	38.3	79.4
1971	525.1	395.2	236.2	83.4	75.5	46.3	83.6
1972	598.1	450.8	273.6	100.2	76.9	54.5	92.8
1973	673.4	506.3	305.0	120.1	81.3	64.7	102.4
1974	734.0	544.1	324.2	133.6	86.2	82.2	107.7
1975	793.5	582.9	355.8	137.9	89.2	101.1	109.6
1976	880.3	649.3	404.6	153.1	91.6	116.7	114.4
1977	1,012.0	747.0	469.4	180.8	96.8	140.5	124.6
1978	1,164.6	849.8	528.0	215.7	106.2	170.6	144.3
1979	1,330.0	939.9	574.6	246.9	118.4	216.0	174.2
1980	1,464.8	998.6	603.1	264.5	131.1	256.8	209.4
1981	1,590.1	1,042.8	618.5	286.5	137.7	289.4	257.9
1982	1,675.5	1,023.4	578.1	303.4	142.0	355.4	296.7
1983	1,869.0	1,109.9	626.6	332.3	151.0	433.3	325.7
1984	2,113.1	1,247.8	709.7	381.4	156.7	490.6	374.7
1985	2,376.8	1,363.5	760.5	431.2	171.8	580.9	432.4
1986	2,663.2	1,476.4	778.0	504.7	193.7	733.7	453.1
1987	3,001.4	1,667.6	860.5	594.8	212.4	857.9	475.9
1988	3,319.5	1,834.3	924.5	676.9	232.9	937.8	547.5
1989	3,590.4	1,934.2	910.3	770.7	253.2	1,067.3	588.9
1990	3,807.9	1,918.8	801.6	849.3	267.9	1,258.9	630.2
1991	3,958.2	1,845.2	705.4	881.3	258.5	1,422.5	690.6
1992	4,073.9	1,770.4	627.9	900.5	242.0	1,558.1	745.3
1993	4,211.3	1,770.0	598.4	947.7	223.9	1,682.8	758.5
1994	4,383.1	1,824.7	596.2	1,012.7	215.8	1,787.6	770.8
1995	4,585.1	1,900.1	596.8	1,090.2	213.1	1,878.8	806.2
1996	4,868.3	1,981.9	628.3	1,145.4	208.2	2,006.5	879.9
1997	5,204.1	2,084.0	631.8	1,245.3	206.8	2,112.0	1,008.1
1998	5,737.2	2,194.8	644.0	1,337.2	213.6	2,312.0	1,230.3
1999	6,385.9	2,394.9	668.6	1,495.5	230.8	2,614.6	1,376.4
1998: I	5,322.7	2,114.7	637.1	1,271.1	206.5	2,134.1	1,074.0
II	5,441.7	2,122.0	632.4	1,281.9	207.7	2,196.2	1,123.5
III	5,579.7	2,137.4	634.3	1,295.8	207.4	2,263.3	1,179.0
IV	5,737.2	2,194.8	644.0	1,337.2	213.6	2,312.0	1,230.3
1999: I	5,876.8	2,202.2	646.5	1,336.7	219.0	2,401.7	1,272.9
II	6,028.9	2,242.4	656.5	1,361.4	224.5	2,472.2	1,314.2
III	6,236.3	2,321.4	676.3	1,418.8	226.2	2,568.7	1,346.3
IV	6,385.9	2,394.9	668.6	1,495.5	230.8	2,614.6	1,376.4
2000: I	6,481.5	2,456.8	680.7	1,546.8	229.2	2,645.3	1,379.5
II	6,651.2	2,548.6	702.0	1,614.3	232.3	2,688.2	1,414.5
III ⁴	6,803.2	2,603.7	721.5	1,648.7	233.5	2,751.4	1,448.1

¹Includes savings banks and savings and loan associations. Data reported by Federal Savings and Loan Insurance Corporation-insured institutions include loans in process for 1987 and exclude loans in process beginning 1988.²Includes loans held by nondeposit trust companies, but not by bank trust departments.³Includes Government National Mortgage Association (GNMA), Federal Housing Administration, Veterans Administration, Farmers Home Administration (FmHA), Federal Deposit Insurance Corporation, Resolution Trust Corporation (through 1995), and in earlier years Reconstruction Finance Corporation, Homeowners Loan Corporation, Federal Farm Mortgage Corporation, and Public Housing Administration. Also includes U.S.-sponsored agencies such as Federal National Mortgage Association (FNMA), Federal Land Banks, Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (beginning 1997), and mortgage pass-through securities issued or guaranteed by GNMA, FHLMC, FNMA or FmHA. Other U.S. agencies (amounts small or current separate data not readily available) included with "individuals and others."⁴Includes private mortgage pools.

Source: Board of Governors of the Federal Reserve System, based on data from various Government and private organizations.

TABLE B-77.—*Consumer credit outstanding, 1950–2000*
[Amount outstanding (end of month); millions of dollars, seasonally adjusted]

Year and month	Total consumer credit ¹	Revolving	Nonrevolving ²
December:			
1950	23,229.2	.....	23,229.2
1951	24,628.0	.....	24,628.0
1952	29,685.6	.....	29,685.6
1953	33,696.9	.....	33,696.9
1954	35,028.3	.....	35,028.3
1955	41,869.0	.....	41,869.0
1956	45,448.2	.....	45,448.2
1957	48,078.3	.....	48,078.3
1958	48,394.3	.....	48,394.3
1959	56,010.7	.....	56,010.7
1960	60,025.3	.....	60,025.3
1961	62,248.5	.....	62,248.5
1962	68,126.7	.....	68,126.7
1963	76,581.4	.....	76,581.4
1964	85,959.6	.....	85,959.6
1965	95,954.7	.....	95,954.7
1966	101,788.2	.....	101,788.2
1967	106,842.6	.....	106,842.6
1968	117,399.1	2,041.5	115,357.5
1969	127,156.2	3,604.8	123,551.3
1970	131,551.6	4,961.5	126,590.1
1971	146,930.2	8,245.3	138,684.8
1972	166,189.1	9,379.2	156,809.9
1973	190,086.3	11,342.2	178,744.1
1974	198,917.8	13,241.3	185,676.6
1975	204,002.0	14,495.3	189,506.7
1976	225,721.6	16,489.1	209,232.5
1977	260,053.3	37,414.8	222,638.5
1978	305,194.4	45,691.0	259,503.4
1979	347,097.7	53,596.4	293,501.3
1980	349,303.9	54,970.1	294,333.8
1981	366,517.1	60,928.0	305,589.1
1982	383,489.9	66,348.3	317,141.6
1983	432,526.4	79,027.2	353,499.1
1984	511,751.5	100,385.6	411,365.9
1985	592,965.8	124,465.8	468,500.0
1986	646,635.8	141,068.2	505,567.7
1987	676,342.9	160,853.9	515,489.0
1988 ³	718,797.8	184,593.1	534,204.7
1989	778,681.7	211,229.8	567,451.9
1990	789,118.2	238,642.6	550,475.6
1991	777,090.8	263,768.6	513,322.3
1992	782,165.5	278,449.7	503,715.8
1993	838,754.7	309,908.0	528,846.6
1994	960,431.0	365,569.6	594,861.5
1995	1,095,837.3	443,126.9	652,710.4
1996	1,182,550.3	499,444.3	683,106.0
1997	1,234,460.6	531,163.2	703,297.4
1998	1,301,023.3	560,504.4	740,518.9
1999	1,393,657.5	595,610.2	798,047.3
1999: Jan	1,315,413.6	564,857.9	750,555.7
Feb	1,324,307.2	566,716.7	757,590.5
Mar	1,331,718.8	567,254.7	764,464.2
Apr	1,333,432.3	570,272.3	763,160.0
May	1,343,363.1	572,885.7	770,477.3
June	1,348,440.7	578,574.3	769,866.4
July	1,356,093.9	582,579.3	773,514.5
Aug	1,364,504.3	584,099.2	780,405.1
Sept	1,366,287.8	584,381.2	781,906.7
Oct	1,371,617.2	585,238.0	786,379.2
Nov	1,382,726.7	588,972.1	793,754.6
Dec	1,393,657.5	595,610.2	798,047.3
2000: Jan	1,409,121.6	603,763.2	805,358.4
Feb	1,418,476.1	608,483.1	809,993.0
Mar	1,429,166.2	615,451.5	813,714.7
Apr	1,435,583.2	622,223.1	813,360.2
May	1,447,368.3	628,764.3	818,604.1
June	1,462,821.5	634,651.5	828,170.0
July	1,470,768.0	638,405.5	832,362.5
Aug	1,484,081.5	645,121.0	838,960.5
Sept	1,492,933.8	649,297.2	843,636.6
Oct ^p	1,509,568.1	656,666.3	852,901.8

¹ Covers most short- and intermediate-term credit extended to individuals. Credit secured by real estate is excluded.

² Includes automobile loans and all other loans not included in revolving credit, such as loans for education, boats, trailers, or vacations. These loans may be secured or unsecured.

³ Data newly available in January 1989 result in breaks in many series between December 1988 and subsequent months.

Source: Board of Governors of the Federal Reserve System.

GOVERNMENT FINANCE

TABLE B-78.—*Federal receipts, outlays, surplus or deficit, and debt, selected fiscal years, 1939–2000*
[Billions of dollars; fiscal years]

Fiscal year or period	Total			On-budget			Off-budget			Federal debt (end of period)		Addendum: Gross domestic product
	Re-ceipts	Outlays	Surplus or deficit (–)	Re-ceipts	Outlays	Surplus or deficit (–)	Re-ceipts	Outlays	Surplus or deficit (–)	Gross Federal	Held by the public	
1939	6.3	9.1	–2.8	5.8	9.2	–3.4	0.5	–0.0	0.5	48.2	41.4	89.0
1940	6.5	9.5	–2.9	6.0	9.5	–3.5	.6	–.0	.6	50.7	42.8	96.7
1941	8.7	13.7	–4.9	8.0	13.6	–5.6	.7	.0	.7	57.5	48.2	114.0
1942	14.6	35.1	–20.5	13.7	35.1	–21.3	.9	.1	.8	79.2	67.8	144.2
1943	24.0	78.6	–54.6	22.9	78.5	–55.6	1.1	.1	1.0	142.6	127.8	180.1
1944	43.7	91.3	–47.6	42.5	91.2	–48.7	1.3	.1	1.2	204.1	184.8	209.0
1945	45.2	92.7	–47.6	43.8	92.6	–48.7	1.3	.1	1.2	260.1	235.2	221.3
1946	39.3	55.2	–15.9	38.1	55.0	–17.0	1.2	.2	1.0	271.0	241.9	222.7
1947	38.5	34.5	4.0	37.1	34.2	2.9	1.5	.3	1.2	257.1	224.3	234.6
1948	41.6	29.8	11.8	39.9	29.4	10.5	1.6	.4	1.2	252.0	216.3	256.4
1949	39.4	38.8	.6	37.7	38.4	–.7	1.7	.4	1.3	252.6	214.3	271.5
1950	39.4	42.6	–3.1	37.3	42.0	–4.7	2.1	.5	1.6	256.9	219.0	273.4
1951	51.6	45.5	6.1	48.5	44.2	4.3	3.1	1.3	1.8	255.3	214.3	321.0
1952	66.2	67.7	–1.5	62.6	66.0	–3.4	3.6	1.7	1.9	259.1	214.8	348.8
1953	69.6	76.1	–6.5	65.5	73.8	–8.3	4.1	2.3	1.8	266.0	218.4	373.4
1954	69.7	70.9	–1.2	65.1	67.9	–2.8	4.6	2.9	1.7	270.8	224.5	378.0
1955	65.5	68.4	–3.0	60.4	64.5	–4.1	5.1	4.0	1.1	274.4	226.6	395.2
1956	74.6	70.6	3.9	68.2	65.7	2.5	6.4	5.0	1.5	272.7	222.2	427.7
1957	80.0	76.6	3.4	73.2	70.6	2.6	6.8	6.0	.8	272.3	219.3	450.7
1958	79.6	82.4	–2.8	71.6	74.9	–3.3	8.0	7.5	.5	279.7	226.3	461.1
1959	79.2	92.1	–12.8	71.0	83.1	–12.1	8.3	9.0	–.7	287.5	234.7	492.1
1960	92.5	92.2	.3	81.9	81.3	.5	10.6	10.9	–.2	290.5	236.8	518.9
1961	94.4	97.7	–3.3	82.3	86.0	–3.8	12.1	11.7	.4	292.6	238.4	531.8
1962	99.7	106.8	–7.1	87.4	93.3	–5.9	12.3	13.5	–1.3	302.9	248.0	568.5
1963	106.6	111.3	–4.8	92.4	96.4	–4.0	14.2	15.0	–.8	310.3	254.0	599.7
1964	112.6	118.5	–5.9	96.2	102.8	–6.5	16.4	15.7	.6	316.1	256.8	641.3
1965	116.8	118.2	–1.4	100.1	101.7	–1.6	16.7	16.5	.2	322.3	260.8	687.9
1966	130.8	134.5	–3.7	111.7	114.8	–3.1	19.1	19.7	–.6	328.5	263.7	754.2
1967	148.8	157.5	–8.6	124.4	137.0	–12.6	24.4	20.4	4.0	340.4	266.6	813.5
1968	153.0	178.1	–25.2	128.1	155.8	–27.7	24.9	22.3	2.6	368.7	289.5	868.4
1969	186.9	183.6	3.2	157.9	158.4	–.5	29.0	25.2	3.7	365.8	278.1	949.2
1970	192.8	195.6	–2.8	159.3	168.0	–8.7	33.5	27.6	5.9	380.9	283.2	1,013.2
1971	187.1	210.2	–23.0	151.3	177.3	–26.1	35.8	32.8	3.0	408.2	303.0	1,081.4
1972	207.3	230.7	–23.4	167.4	193.8	–26.4	39.9	36.9	3.1	435.9	322.4	1,181.5
1973	230.8	245.7	–14.9	184.7	200.1	–15.4	46.1	45.6	.5	466.3	340.9	1,308.1
1974	263.2	269.4	–6.1	209.3	217.3	–8.0	53.9	52.1	1.8	483.9	343.7	1,442.1
1975	279.1	332.3	–53.2	216.6	271.9	–55.3	62.5	60.4	2.0	541.9	394.7	1,559.8
1976	298.1	371.8	–73.7	231.7	302.2	–70.5	66.4	69.6	–3.2	629.0	477.4	1,736.7
Transition quarter	81.2	96.0	–14.7	63.2	76.6	–13.3	18.0	19.4	–1.4	643.6	495.5	454.8
1977	355.6	409.2	–53.7	278.7	328.5	–49.8	76.8	80.7	–3.9	706.4	549.1	1,971.3
1978	399.6	458.7	–59.2	314.2	369.1	–54.9	85.4	89.7	–4.3	776.6	607.1	2,218.6
1979	463.3	504.0	–40.7	365.3	404.1	–38.7	98.0	100.0	–2.0	829.5	640.3	2,503.8
1980	517.1	590.9	–73.8	403.9	476.6	–72.7	113.2	114.3	–1.1	909.1	711.9	2,732.1
1981	599.3	678.2	–79.0	469.1	543.1	–74.0	130.2	135.2	–5.0	994.8	789.4	3,061.6
1982	617.8	745.8	–128.0	474.3	594.4	–120.1	143.5	151.4	–7.9	1,137.3	924.6	3,228.6
1983	600.6	808.4	–207.8	453.2	661.3	–208.0	147.3	147.1	.2	1,371.7	1,137.3	3,440.5
1984	666.5	851.9	–185.4	500.4	686.1	–185.7	166.1	165.8	.3	1,564.7	1,307.0	3,839.4
1985	734.1	946.4	–212.3	547.9	769.6	–221.7	186.2	176.8	9.4	1,817.5	1,507.4	4,136.6
1986	769.2	990.5	–221.2	569.0	807.0	–238.0	200.2	183.5	16.7	2,120.6	1,740.8	4,401.4
1987	854.4	1,004.1	–149.8	641.0	810.3	–169.3	213.4	193.8	19.6	2,346.1	1,889.9	4,647.0
1988	909.3	1,064.5	–155.2	667.8	861.8	–194.0	241.5	202.7	38.8	2,601.3	2,051.8	5,014.7
1989	991.2	1,143.7	–152.5	727.5	932.8	–205.2	263.7	210.9	52.8	2,868.0	2,191.0	5,405.5
1990	1,032.0	1,253.2	–221.2	750.3	1,028.1	–277.8	281.7	225.1	56.6	3,206.6	2,411.8	5,735.6
1991	1,055.0	1,324.4	–269.4	761.2	1,082.7	–321.6	293.9	241.7	52.2	3,598.5	2,689.3	5,930.4
1992	1,091.3	1,381.7	–290.4	788.9	1,129.3	–340.5	302.4	252.3	50.1	4,002.1	3,000.1	6,218.6
1993	1,154.4	1,409.5	–255.1	842.5	1,142.9	–300.5	311.9	266.6	45.3	4,351.4	3,248.8	6,558.4
1994	1,258.6	1,461.9	–203.3	923.6	1,182.5	–258.9	335.0	279.4	55.7	4,643.7	3,433.4	6,944.6
1995	1,351.8	1,515.8	–164.0	1,000.8	1,227.2	–226.4	351.1	288.7	62.4	4,921.0	3,604.8	7,324.0
1996	1,453.1	1,560.6	–107.5	1,085.6	1,259.7	–174.1	367.5	300.9	66.6	5,181.9	3,734.5	7,694.6
1997	1,579.3	1,601.3	–22.0	1,187.3	1,290.7	–103.4	392.0	310.6	81.4	5,369.7	3,772.8	8,185.2
1998	1,721.8	1,652.6	69.2	1,306.0	1,336.0	–30.0	415.8	316.6	99.2	5,478.7	3,721.6	8,673.5
1999	1,827.5	1,703.0	124.4	1,383.0	1,382.3	.7	444.5	320.8	123.7	5,606.1	3,632.9	9,130.4
2000 ¹	2,025.2	1,789.0	236.2	1,544.6	1,458.2	86.4	480.6	330.8	149.8	5,629.0	3,410.1	9,830.4

¹ Estimates.

Note.—Through fiscal year 1976, the fiscal year was on a July 1–June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an October 1–September 30 basis. The 3-month period from July 1, 1976 through September 30, 1976 is a separate fiscal period known as the transition quarter.

Refunds of receipts are excluded from receipts and outlays.

See *Budget of the United States Government*, for additional information.

Sources: Department of Commerce (Bureau of Economic Analysis), Department of the Treasury, and Office of Management and Budget.

TABLE B-79.—*Federal budget receipts, outlays, surplus or deficit, and debt, as percent of gross domestic product, fiscal years 1934–2000*

[Percent; fiscal years]

Fiscal year or period	Receipts	Outlays		Surplus or deficit (–)	Federal debt (end of period)	
		Total	National defense		Gross Federal	Held by public
1934	4.8	10.7	.....	–5.9	.....	.....
1935	5.2	9.2	.....	–4.0	.....	.....
1936	5.0	10.5	.....	–5.5	.....	.....
1937	6.1	8.6	.....	–2.5	.....	.....
1938	7.6	7.7	.....	–.1	.....	.....
1939	7.1	10.3	.....	–3.2	54.2	46.6
1940	6.8	9.8	1.7	–3.0	52.4	44.2
1941	7.6	12.0	5.6	–4.3	50.5	42.3
1942	10.1	24.4	17.8	–14.2	54.9	47.0
1943	13.3	43.6	37.0	–30.3	79.2	70.9
1944	20.9	43.7	37.9	–22.8	97.6	88.4
1945	20.4	41.9	37.5	–21.5	117.5	106.3
1946	17.6	24.8	19.2	–7.2	121.7	108.6
1947	16.4	14.7	5.5	1.7	109.6	95.6
1948	16.2	11.6	3.6	4.6	98.3	84.3
1949	14.5	14.3	4.8	.2	93.0	78.9
1950	14.4	15.6	5.0	–1.1	93.9	80.1
1951	16.1	14.2	7.3	1.9	79.5	66.8
1952	19.0	19.4	13.2	–.4	74.3	61.6
1953	18.6	20.4	14.1	–1.7	71.2	58.5
1954	18.4	18.7	13.0	–.3	71.6	59.4
1955	16.6	17.3	10.8	–.8	69.4	57.3
1956	17.4	16.5	9.9	.9	63.8	51.9
1957	17.7	17.0	10.1	.8	60.4	48.7
1958	17.3	17.9	10.2	–.6	60.7	49.1
1959	16.1	18.7	10.0	–2.6	58.4	47.7
1960	17.8	17.8	9.3	.1	56.0	45.6
1961	17.7	18.4	9.3	–.6	55.0	44.8
1962	17.5	18.8	9.2	–1.3	53.3	43.6
1963	17.8	18.6	8.9	–.8	51.7	42.4
1964	17.6	18.5	8.5	–.9	49.3	40.1
1965	17.0	17.2	7.4	–.2	46.9	37.9
1966	17.3	17.8	7.7	–.5	43.6	35.0
1967	18.3	19.4	8.8	–1.1	41.8	32.8
1968	17.6	20.5	9.4	–2.9	42.5	33.3
1969	19.7	19.3	8.7	.3	38.5	29.3
1970	19.0	19.3	8.1	–.3	37.6	28.0
1971	17.3	19.4	7.3	–2.1	37.7	28.0
1972	17.5	19.5	6.7	–2.0	36.9	27.3
1973	17.6	18.8	5.9	–1.1	35.6	26.1
1974	18.3	18.7	5.5	–.4	33.6	23.8
1975	17.9	21.3	5.5	–3.4	34.7	25.3
1976	17.2	21.4	5.2	–4.2	36.2	27.5
Transition quarter	17.9	21.1	4.9	–3.2	35.4	27.2
1977	18.0	20.8	4.9	–2.7	35.8	27.9
1978	18.0	20.7	4.7	–2.7	35.0	27.4
1979	18.5	20.1	4.6	–1.6	33.1	25.6
1980	18.9	21.6	4.9	–2.7	33.3	26.1
1981	19.6	22.2	5.1	–2.6	32.5	25.8
1982	19.1	23.1	5.7	–4.0	35.2	28.6
1983	17.5	23.5	6.1	–6.0	39.9	33.1
1984	17.4	22.2	5.9	–4.8	40.8	34.0
1985	17.7	22.9	6.1	–5.1	43.9	36.4
1986	17.5	22.5	6.2	–5.0	48.2	39.5
1987	18.4	21.6	6.1	–3.2	50.5	40.7
1988	18.1	21.2	5.8	–3.1	51.9	40.9
1989	18.3	21.2	5.6	–2.8	53.1	40.5
1990	18.0	21.8	5.2	–3.9	55.9	42.1
1991	17.8	22.3	4.6	–4.5	60.7	45.3
1992	17.5	22.2	4.8	–4.7	64.4	48.2
1993	17.6	21.5	4.4	–3.9	66.3	49.5
1994	18.1	21.1	4.1	–2.9	66.9	49.4
1995	18.5	20.7	3.7	–2.2	67.2	49.2
1996	18.9	20.3	3.5	–1.4	67.3	48.5
1997	19.3	19.6	3.3	–.3	65.6	46.1
1998	19.9	19.1	3.1	.8	63.2	42.9
1999	20.0	18.7	3.0	1.4	61.4	39.8
2000 ¹	20.6	18.2	3.0	2.4	57.3	34.7

¹ Estimates.

Note.—See Note, Table B-78.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B-80.—*Federal receipts and outlays, by major category, and surplus or deficit, fiscal years 1940–2000*

[Billions of dollars; fiscal years]

Fiscal year or period	Receipts (on-budget and off-budget)					Outlays (on-budget and off-budget)											Surplus or deficit (–) (on-budget and off-budget)
	Total	Individual income taxes	Corporation income taxes	Social insurance and retirement receipts	Other	Total	National defense		International affairs	Health	Medicare	Income security	Social security	Net interest	Other		
1940	6.5	0.9	1.2	1.8	2.7	9.5	1.7	.....	0.1	0.1	.....	1.5	0.0	0.9	5.3	–2.9
1941	8.7	1.3	2.1	1.9	3.3	13.7	6.4	.....	1	1	.....	1.9	1	1.9	4.1	–4.9
1942	14.6	3.3	4.7	2.5	4.2	35.1	25.7	.....	1.0	1	.....	1.8	1	1.1	5.4	–20.5
1943	24.0	6.5	9.6	3.0	4.9	78.6	66.7	.....	1.3	1	.....	1.7	2	1.5	7.0	–54.6
1944	43.7	19.7	14.8	3.5	5.7	91.3	79.1	.....	1.4	2	.....	1.5	2	2.2	6.6	–47.6
1945	45.2	18.4	16.0	3.5	7.3	92.7	83.0	.....	1.9	2	.....	1.1	3	3.1	3.1	–47.6
1946	39.3	16.1	11.9	3.1	8.2	55.2	42.7	.....	1.9	2	.....	2.4	4	4.1	3.6	–15.9
1947	38.5	17.9	8.6	3.4	8.5	34.5	12.8	.....	5.8	2	.....	2.8	5	4.2	8.2	4.0
1948	41.6	19.3	9.7	3.8	8.8	29.8	9.1	.....	4.6	2	.....	2.5	6	4.3	8.5	11.8
1949	39.4	15.6	11.2	3.8	8.9	38.8	13.2	.....	6.1	2	.....	3.2	7	4.5	11.1	.6
1950	39.4	15.8	10.4	4.3	8.9	42.6	13.7	.....	4.7	3	.....	4.1	8	4.8	14.2	–3.1
1951	51.6	21.6	14.1	5.7	10.2	45.5	23.6	.....	3.6	3	.....	3.4	1.6	4.7	8.4	6.1
1952	66.2	27.9	21.2	6.4	10.6	67.7	46.1	.....	2.7	3	.....	3.7	2	4.7	8.1	–1.5
1953	69.6	29.8	21.2	6.8	11.7	76.1	52.8	.....	2.1	3	.....	3.8	2.7	5.2	9.1	–6.5
1954	69.7	29.5	21.1	7.2	11.9	70.9	49.3	.....	1.6	3	.....	4.4	3.4	4.8	7.1	–1.2
1955	65.5	28.7	17.9	7.9	11.0	68.4	42.7	.....	2.2	3	.....	5.1	4.4	4.9	8.9	–3.0
1956	74.6	32.2	20.9	9.3	12.2	70.6	42.5	.....	2.4	4	.....	4.7	5.5	5.1	10.1	3.9
1957	80.0	35.6	21.2	10.0	13.2	76.6	45.4	.....	3.1	5	.....	5.4	6.7	5.4	10.1	3.4
1958	79.6	34.7	20.1	11.2	13.6	82.4	46.8	.....	3.4	5	.....	7.5	8.2	5.6	10.3	–2.8
1959	79.2	36.7	17.3	11.7	13.5	92.1	49.0	.....	3.1	7	.....	8.2	9.7	5.8	15.5	–12.8
1960	92.5	40.7	21.5	14.7	15.6	92.2	48.1	.....	3.0	8	.....	7.4	11.6	6.9	14.4	.3
1961	94.4	41.3	21.0	16.4	15.7	97.7	49.6	.....	3.2	9	.....	9.7	12.5	6.7	15.2	–3.3
1962	99.7	45.6	20.5	17.0	16.5	106.8	52.3	50.1	5.6	1.2	.....	9.2	14.4	6.9	17.2	–7.1
1963	106.6	47.6	21.6	19.8	17.6	111.3	53.4	51.1	5.3	1.5	.....	9.3	15.8	7.7	18.3	–4.8
1964	112.6	48.7	23.5	22.0	18.5	118.5	54.8	52.6	4.9	1.8	.....	9.7	16.6	8.2	22.6	–5.9
1965	116.8	48.8	25.5	22.2	20.3	118.2	50.6	48.8	5.3	1.8	.....	9.5	17.5	8.6	25.0	–1.4
1966	130.8	55.4	30.1	25.5	19.8	134.5	58.1	56.6	5.6	2.5	0.1	9.7	20.7	9.4	28.5	–3.7	
1967	148.8	61.5	34.0	32.6	20.7	157.5	71.4	70.1	5.6	3.4	2.7	10.3	21.7	10.3	32.1	–8.6	
1968	153.0	68.7	38.7	33.9	21.7	178.1	81.9	80.4	5.3	4.4	4.6	11.8	23.9	11.1	35.1	–25.2	
1969	186.9	87.2	36.7	39.0	23.9	183.6	82.5	80.8	4.6	5.2	5.7	13.1	27.3	12.7	32.6	3.2	
1970	192.8	90.4	32.8	44.4	25.2	195.6	81.7	80.1	4.3	5.9	6.2	15.7	30.3	14.4	37.2	–2.8	
1971	187.1	86.2	26.8	47.3	26.8	210.2	78.9	77.5	4.2	6.8	6.6	22.9	35.9	14.8	40.0	–23.0	
1972	207.3	94.7	32.2	52.6	27.8	230.7	79.2	77.6	4.8	8.7	7.5	27.7	40.2	15.5	47.3	–23.4	
1973	230.8	103.2	36.2	63.1	28.3	245.7	76.7	75.0	4.1	9.4	8.1	28.3	49.1	17.3	52.8	–14.9	
1974	263.2	119.0	38.6	75.1	30.6	269.4	79.3	77.9	5.7	10.7	9.6	33.7	55.9	21.4	52.9	–6.1	
1975	279.1	122.4	40.6	84.5	31.5	332.3	86.5	84.9	7.1	12.9	12.9	50.2	64.7	23.2	74.8	–53.2	
1976	298.1	131.6	41.4	90.8	34.3	371.8	89.6	87.9	6.4	15.7	15.8	60.8	73.9	26.7	82.7	–73.7	
Transition quarter .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
1977	81.2	38.8	8.5	25.2	8.8	96.0	22.3	21.8	2.5	3.9	4.3	15.0	19.8	6.9	21.4	–14.7	
1978	355.6	157.6	54.9	106.5	36.6	409.2	97.2	95.1	6.4	17.3	19.3	61.1	85.1	29.9	93.0	–53.7	
1979	399.6	181.0	60.0	121.0	37.7	458.7	104.5	102.3	7.5	18.5	22.8	61.5	93.9	35.5	114.7	–59.2	
1979	463.3	217.8	65.7	138.9	40.8	504.0	116.3	113.6	7.5	20.5	26.5	66.4	104.1	42.6	120.2	–40.7	
1980	517.1	244.1	64.6	157.8	50.6	590.9	134.0	130.9	12.7	23.2	32.1	86.6	118.5	52.5	131.3	–73.8	
1981	599.3	285.9	61.1	182.7	69.5	678.2	157.5	153.9	13.1	26.9	39.1	99.7	139.6	68.8	133.5	–79.0	
1982	617.8	297.7	49.2	201.5	69.3	745.8	185.3	180.7	12.3	27.4	46.6	107.7	156.0	85.0	125.4	–128.0	
1983	600.6	288.9	37.0	209.0	65.6	808.4	209.9	204.4	11.8	28.6	52.6	122.6	170.7	89.8	122.2	–207.8	
1984	666.5	298.4	56.9	239.4	71.8	851.9	227.4	220.9	15.9	30.4	57.5	112.7	178.2	111.1	118.6	–185.4	
1985	734.1	334.5	61.3	265.2	73.1	946.4	252.7	245.2	16.2	33.5	65.8	128.2	188.6	129.5	131.8	–212.3	
1986	769.2	349.0	63.1	283.9	73.2	990.5	273.4	265.5	14.2	35.9	70.2	119.8	198.8	136.0	142.2	–221.2	
1987	854.4	392.6	83.9	303.3	74.6	1,004.1	282.0	274.0	11.6	40.0	75.1	123.3	207.4	138.7	126.1	–149.8	
1988	909.3	401.2	94.5	334.3	79.3	1,064.5	290.4	281.9	10.5	44.5	78.9	129.4	219.3	151.8	139.7	–155.2	
1989	991.2	445.7	103.3	359.4	82.8	1,143.7	303.6	294.9	9.6	48.4	85.0	136.1	232.5	169.0	159.5	–152.5	
1990	1,032.0	466.9	93.5	380.0	91.5	1,253.2	299.3	289.8	13.8	57.7	98.1	147.1	248.6	184.4	204.2	–221.2	
1991	1,055.0	467.8	98.1	396.0	93.1	1,324.4	273.3	262.4	15.9	71.2	104.5	170.3	269.0	194.5	225.8	–269.4	
1992	1,091.3	476.0	100.3	413.7	101.4	1,381.7	298.4	286.9	16.1	89.5	119.0	197.0	287.6	199.4	174.7	–290.4	
1993	1,154.4	509.7	117.5	428.3	98.9	1,409.5	291.1	278.6	17.2	99.4	130.6	207.3	304.6	198.7	160.6	–255.1	
1994	1,258.6	543.1	140.4	461.5	113.7	1,461.9	281.6	268.6	17.1	107.1	144.7	214.1	319.6	203.0	174.7	–203.3	
1995	1,351.8	590.2	157.0	484.5	120.1	1,515.8	272.1	259.4	16.4	115.4	159.9	220.5	335.8	232.2	163.6	–164.0	
1996	1,453.1	656.4	171.8	509.4	115.4	1,560.6	265.8	253.2	13.5	119.4	174.2	226.0	349.7	241.1	171.0	–107.5	
1997	1,579.3	737.5	182.3	539.4	120.2	1,601.3	270.5	258.3	15.2	123.8	190.0	230.9	365.3	244.0	161.5	–22.0	
1998	1,721.8	828.6	188.7	571.8	132.7	1,652.6	268.5	256.1	13.1	131.4	192.8	233.2	379.2	241.2	193.2	69.2	
1999	1,827.5	879.5	184.7	611.8	151.5	1,703.0	274.9	261.4	15.2	141.1	190.4	237.7	390.0	229.7	223.9	124.4	
2000 ¹	2,025.0	1,004.5	207.3	652.9	160.4	1,788.0	293.9	281.2	17.3	154.2	197.1	247.4	409.4	222.8	246.0	237.0	

¹ Estimates for 2000 from *Final Monthly Treasury Statement*, issued October 2000. For more recent estimates of total receipts, outlays, and surplus, see Table B-78.

Note.—See Note, Table B-78.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B-81.—*Federal receipts, outlays, deficit, and debt, fiscal years 1995–2000*

[Millions of dollars; fiscal years]

Description	Actual					Estimates ¹
	1995	1996	1997	1998	1999	2000
RECEIPTS AND OUTLAYS:						
Total receipts	1,351,830	1,453,062	1,579,292	1,721,798	1,827,454	2,025,038
Total outlays	1,515,837	1,560,572	1,601,282	1,652,619	1,703,042	1,788,045
Total surplus or deficit (–)	–164,007	–107,510	–21,990	69,179	124,412	236,993
On-budget receipts	1,000,751	1,085,570	1,187,302	1,305,999	1,382,986	1,544,455
On-budget outlays	1,227,173	1,259,668	1,290,656	1,336,015	1,382,264	1,457,280
On-budget surplus or deficit (–)	–226,422	–174,098	–103,354	–30,016	722	87,175
Off-budget receipts	351,079	367,492	391,990	415,799	444,468	480,583
Off-budget outlays	288,664	300,904	310,626	316,604	320,778	330,765
Off-budget surplus or deficit (–)	62,415	66,588	81,364	99,195	123,690	149,818
OUTSTANDING DEBT, END OF PERIOD:						
Gross Federal debt	4,921,005	5,181,921	5,369,694	5,478,711	5,606,087	5,629,009
Held by Government accounts	1,316,208	1,447,392	1,596,862	1,757,090	1,973,160	2,218,760
Held by the public	3,604,797	3,734,529	3,772,832	3,721,621	3,632,927	3,410,248
Federal Reserve System	374,114	390,924	424,507	458,131	488,865	.....
Other	3,230,683	3,343,605	3,348,324	3,263,490	3,144,062	.....
RECEIPTS: ON-BUDGET AND OFF-BUDGET	1,351,830	1,453,062	1,579,292	1,721,798	1,827,454	2,025,038
Individual income taxes	590,244	656,417	737,466	828,586	879,480	1,004,461
Corporation income taxes	157,004	171,824	182,293	188,677	184,680	207,288
Social insurance and retirement receipts	484,473	509,414	539,371	571,831	611,833	652,851
On-budget	133,394	141,922	147,381	156,032	167,365	.....
Off-budget	351,079	367,492	391,990	415,799	444,468	.....
Excise taxes	57,484	54,014	56,924	57,673	70,414	68,866
Estate and gift taxes	14,763	17,189	19,845	24,076	27,782	29,010
Customs duties and fees	19,301	18,670	17,928	18,297	18,336	19,913
Miscellaneous receipts	28,561	25,534	25,465	32,658	34,929	42,647
Deposits of earnings by Federal Reserve System	23,378	20,477	19,636	24,540	25,917	.....
All other ²	5,183	5,057	5,829	8,118	9,012	.....
OUTLAYS: ON-BUDGET AND OFF-BUDGET	1,515,837	1,560,572	1,601,282	1,652,619	1,703,042	1,788,045
National defense	272,066	265,753	270,505	268,456	274,873	293,856
International affairs	16,434	13,496	15,228	13,109	15,243	17,232
General science, space and technology	16,724	16,709	17,174	18,219	18,125	19,707
Energy	4,936	2,839	1,475	1,270	912	–1,020
Natural resources and environment	21,915	21,524	21,227	22,300	23,968	23,295
Agriculture	9,778	9,159	9,032	12,206	23,011	38,472
Commerce and housing credit	–17,808	–10,472	–14,624	1,014	2,647	3,321
On-budget	–15,839	–10,292	–14,575	797	1,626	.....
Off-budget	–1,969	–180	–49	217	1,021	.....
Transportation	39,350	39,565	40,767	40,343	42,533	46,211
Community and regional development	10,749	10,745	11,055	9,776	11,870	11,687
Education, training, employment, and social services	54,263	52,001	53,008	54,954	56,408	58,364
Health	115,418	119,378	123,843	131,442	141,074	154,215
Medicare	159,855	174,225	190,016	192,822	190,447	197,115
Income security	220,493	225,967	230,899	233,202	237,707	247,380
Social security	335,846	349,676	365,257	379,225	390,041	409,437
On-budget	5,476	5,807	6,885	9,156	10,828	.....
Off-budget	330,370	343,869	358,372	370,069	379,213	.....
Veterans benefits and services	37,890	36,985	39,313	41,781	43,212	47,084
Administration of justice	16,216	17,548	20,173	22,832	25,924	27,704
General government	13,998	12,004	12,891	15,709	15,757	13,721
Net interest	232,169	241,090	244,016	241,153	229,735	222,825
On-budget	265,474	277,597	285,230	287,783	281,806	.....
Off-budget	–33,305	–36,507	–41,214	–46,630	–52,071	.....
Undistributed offsetting receipts	–44,455	–37,620	–49,973	–47,194	–40,445	–42,581
On-budget	–38,023	–31,342	–43,490	–40,142	–33,060	.....
Off-budget	–6,432	–6,278	–6,483	–7,052	–7,385	.....

¹ Estimates for 2000 from *Final Monthly Treasury Statement*, issued October 2000. For more recent estimates of total receipts, outlays, and surplus, see Table B-78.

² Beginning 1984, includes universal service fund receipts.

Note.—See Note, Table B-78.

Sources: Department of the Treasury and Office of Management and Budget.

TABLE B-82.—*Federal and State and local government current receipts and expenditures, national income and product accounts (NIPA), 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Total government			Federal Government			State and local government			Addendum: Grants-in-aid to State and local governments
	Current receipts	Current expenditures	Current surplus or deficit (–) (NIPA)	Current receipts	Current expenditures	Current surplus or deficit (–) (NIPA)	Current receipts	Current expenditures	Current surplus or deficit (–) (NIPA)	
1959	122.1	115.1	7.0	87.0	83.8	3.2	38.9	35.1	3.8	3.8
1960	131.2	119.9	11.3	92.8	85.8	7.1	42.4	38.1	4.3	4.0
1961	135.8	129.1	6.8	94.4	92.0	2.5	45.9	41.6	4.3	4.5
1962	147.0	139.4	7.6	102.3	100.0	2.4	49.7	44.5	5.2	5.0
1963	157.9	147.0	10.9	110.2	105.0	5.2	53.4	47.7	5.7	5.6
1964	162.1	154.9	7.2	110.2	109.3	.8	58.4	52.0	6.4	6.5
1965	175.4	165.7	9.7	119.3	116.1	3.2	63.3	56.8	6.5	7.2
1966	197.8	187.3	10.5	136.3	133.6	2.7	71.5	63.8	7.7	10.1
1967	212.1	213.4	–1.4	144.9	153.2	–8.3	78.9	71.9	7.0	11.7
1968	245.3	239.2	6.2	168.5	169.8	–1.3	89.5	82.1	7.5	12.7
1969	276.3	258.7	17.6	190.1	180.5	9.6	100.7	92.8	8.0	14.6
1970	279.6	286.9	–7.3	184.3	198.6	–14.4	114.6	107.5	7.1	19.3
1971	295.9	316.3	–20.4	189.8	216.6	–26.8	129.3	122.9	6.4	23.2
1972	338.1	345.0	–6.9	217.5	240.0	–22.5	152.3	136.7	15.6	31.7
1973	380.3	375.8	4.5	248.5	259.7	–11.2	166.6	150.9	15.7	34.8
1974	419.6	424.2	–4.6	277.3	291.2	–13.9	178.5	169.2	9.3	36.3
1975	430.5	497.4	–66.9	276.1	345.4	–69.3	199.6	197.2	2.4	45.1
1976	492.6	538.3	–45.7	318.9	371.9	–53.0	224.5	217.2	7.3	50.7
1977	552.8	584.8	–32.0	359.9	405.0	–45.2	249.5	236.4	13.1	56.6
1978	626.0	634.3	–8.2	417.3	444.2	–26.9	274.3	255.6	18.7	65.5
1979	702.7	701.1	1.7	478.3	489.6	–11.4	290.8	277.8	13.0	66.3
1980	767.1	812.0	–44.9	522.8	576.6	–53.8	316.6	307.8	8.8	72.3
1981	877.6	923.7	–46.2	605.6	659.3	–53.7	344.4	336.9	7.5	72.5
1982	890.3	1,025.1	–134.8	599.5	732.1	–132.6	360.3	362.5	–2.3	69.5
1983	944.5	1,113.5	–169.1	623.9	797.8	–173.9	392.1	387.3	4.8	71.6
1984	1,047.8	1,192.1	–144.2	688.1	856.1	–168.1	436.4	412.6	23.8	76.7
1985	1,135.8	1,290.7	–154.9	747.4	924.6	–177.1	469.2	447.0	22.3	80.9
1986	1,206.7	1,378.1	–171.4	786.4	978.5	–192.1	507.9	487.2	20.8	87.6
1987	1,322.5	1,458.2	–135.7	870.5	1,018.4	–147.9	536.0	523.8	12.2	83.9
1988	1,410.9	1,532.7	–121.8	928.9	1,066.2	–137.4	573.7	558.1	15.6	91.6
1989	1,530.9	1,641.6	–110.7	1,010.3	1,140.3	–130.0	618.9	599.6	19.3	98.3
1990	1,607.7	1,778.0	–170.3	1,055.7	1,228.7	–173.0	663.4	660.8	2.6	111.4
1991	1,656.6	1,879.7	–223.1	1,072.3	1,287.6	–215.3	716.0	723.8	–7.8	131.6
1992	1,744.4	2,046.9	–302.5	1,121.3	1,418.9	–297.5	777.2	777.2	–4.9	149.1
1993	1,857.9	2,130.5	–272.7	1,197.3	1,471.5	–274.1	823.2	821.7	1.5	162.6
1994	1,993.0	2,196.7	–203.7	1,293.7	1,506.0	–212.3	873.8	865.2	8.6	174.5
1995	2,117.1	2,293.7	–176.7	1,383.7	1,575.7	–192.0	917.9	902.5	15.3	184.5
1996	2,269.1	2,384.5	–115.4	1,499.1	1,635.9	–136.8	960.4	939.0	21.4	190.4
1997	2,440.0	2,462.4	–22.3	1,625.5	1,678.8	–53.3	1,011.3	980.3	31.0	196.8
1998	2,617.2	2,526.5	90.7	1,754.0	1,705.0	49.0	1,072.3	1,030.6	41.7	209.1
1999	2,788.0	2,613.5	174.4	1,874.6	1,750.2	124.4	1,142.7	1,092.7	50.0	229.3
1995: I	2,069.8	2,262.2	–192.3	1,348.2	1,556.4	–208.3	906.8	890.8	15.9	185.1
II	2,113.7	2,288.0	–174.4	1,385.7	1,574.6	–188.9	914.3	899.7	14.6	186.3
III	2,129.8	2,309.8	–180.0	1,391.7	1,589.3	–197.6	923.4	905.8	17.5	185.2
IV	2,155.0	2,314.9	–159.9	1,409.2	1,582.4	–173.2	927.0	913.8	13.3	181.3
1996: I	2,201.9	2,361.4	–159.4	1,446.9	1,623.4	–176.5	940.4	923.4	17.0	185.5
II	2,263.8	2,373.6	–109.8	1,495.6	1,632.6	–137.0	962.2	935.0	27.2	194.0
III	2,276.5	2,384.3	–107.8	1,503.4	1,633.5	–130.1	966.1	943.8	22.3	193.0
IV	2,334.2	2,418.7	–84.5	1,550.5	1,654.2	–103.7	972.9	953.6	19.3	189.2
1997: I	2,370.5	2,433.5	–63.0	1,572.7	1,659.2	–86.5	988.9	965.4	23.5	191.1
II	2,413.7	2,455.1	–41.4	1,607.8	1,675.8	–68.0	999.7	973.1	26.6	193.8
III	2,469.0	2,467.2	1.8	1,645.5	1,679.2	–33.7	1,020.1	984.6	35.5	196.7
IV	2,506.9	2,493.7	13.2	1,676.0	1,701.0	–25.0	1,036.6	998.3	38.3	205.6
1998: I	2,555.2	2,491.2	64.0	1,711.8	1,685.9	25.9	1,048.5	1,010.3	38.1	205.0
II	2,592.0	2,516.7	75.3	1,740.3	1,698.4	41.9	1,057.2	1,023.8	33.4	205.4
III	2,638.1	2,528.7	109.4	1,772.6	1,700.6	71.9	1,075.4	1,037.9	37.5	209.9
IV	2,683.6	2,569.5	114.1	1,791.5	1,735.1	56.4	1,108.2	1,050.5	57.7	216.1
1999: I	2,706.4	2,568.7	137.6	1,817.4	1,727.8	89.7	1,111.9	1,064.0	47.9	223.0
II	2,749.1	2,593.6	155.5	1,849.6	1,732.2	117.5	1,120.8	1,082.9	38.0	221.4
III	2,806.6	2,612.0	194.7	1,890.3	1,743.1	147.3	1,150.3	1,102.9	47.4	234.0
IV	2,889.8	2,679.8	210.0	1,941.0	1,797.7	143.3	1,187.6	1,121.0	66.6	238.8
2000: I	2,972.8	2,684.9	287.9	2,011.9	1,776.0	235.8	1,195.9	1,143.9	52.0	235.0
II	3,035.6	2,734.5	301.1	2,054.8	1,813.9	240.9	1,221.7	1,161.6	60.1	240.9
III	3,081.0	2,764.4	316.6	2,089.4	1,836.0	253.3	1,242.8	1,179.6	63.2	251.2

Note.—Federal grants-in-aid to State and local governments are reflected in Federal current expenditures and State and local current receipts. Total government current receipts and expenditures have been adjusted to eliminate this duplication.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-83.—*Federal and State and local government current receipts and expenditures, national income and product accounts (NIPA), by major type, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Current receipts					Current expenditures									Current surplus or deficit (–) (NIPA)	Addendum: Grants-in-aid to State and local governments
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Total ¹	Consumption expenditures	Transfer payments	Net interest paid			Less: Dividends received by government ²	Subsidies less current surplus of government enterprises			
									Total	Interest paid	Less: Interest received by government ²					
1959	122.1	42.8	23.6	41.9	13.8	115.1	83.2	24.7	7.1	.....	.....	.....	0.1	7.0	3.8
1960	131.2	46.6	22.7	45.5	16.4	119.9	85.5	26.3	7.9	10.4	2.5	.....	2	11.3	4.0
1961	135.8	47.9	22.8	48.1	17.0	129.1	90.2	30.2	7.5	10.2	2.6	.....	1.2	6.8	4.5
1962	147.0	52.3	24.0	51.7	19.1	139.4	98.9	30.9	8.2	11.1	2.9	.....	1.4	7.6	5.0
1963	157.9	55.3	26.2	54.7	21.7	147.0	104.9	32.4	8.9	12.0	3.1	.....	1.9	10.9	5.6
1964	162.1	52.8	28.0	58.8	22.4	154.9	110.5	33.4	9.6	12.9	3.3	.....	1.4	7.2	6.5
1965	175.4	58.4	30.9	62.7	23.4	165.7	118.2	36.0	10.0	13.7	3.7	.....	1.7	9.7	7.2
1966	197.8	67.3	33.7	65.4	31.3	187.3	134.0	39.7	10.7	15.1	4.4	.....	3.0	10.5	10.1
1967	212.1	74.2	32.7	70.4	34.9	213.4	151.6	47.5	11.5	16.4	4.9	.....	2.9	–1.4	11.7
1968	245.3	88.3	39.4	79.0	38.7	239.2	168.1	54.9	13.1	18.8	5.7	0.0	3.0	6.2	12.7	
1969	276.3	105.9	39.7	86.6	44.1	258.7	180.2	60.6	14.5	20.7	6.2	0.0	3.5	17.6	14.6	
1970	279.6	104.6	34.4	94.3	46.4	286.9	192.4	73.5	16.2	23.4	7.1	.....	4.8	–7.3	19.3
1971	295.9	103.4	37.7	103.6	51.2	316.3	207.0	87.5	17.0	24.5	7.5	0.0	4.9	–20.4	23.2	
1972	338.1	125.6	41.9	111.4	59.2	345.0	223.7	97.0	18.4	26.3	7.9	0.0	6.1	–6.9	31.7	
1973	380.3	134.5	49.3	121.0	75.5	375.8	238.5	110.5	21.2	31.3	10.0	0.0	5.6	4.5	34.8	
1974	419.6	153.3	51.8	129.3	85.2	424.2	264.9	131.5	23.1	35.6	12.5	0.0	4.2	–4.6	36.3	
1975	430.5	150.3	50.9	140.0	89.3	497.4	296.5	166.4	26.9	40.0	13.1	0.0	7.7	–66.9	45.1	
1976	492.6	175.5	64.2	151.6	101.3	538.3	318.1	180.4	33.1	46.3	13.2	0.0	6.9	–45.7	50.7	
1977	552.8	201.2	73.0	165.5	113.1	584.8	347.8	192.0	35.5	50.8	15.3	0.0	9.7	–32.0	56.6	
1978	626.0	233.5	83.5	177.8	131.3	634.3	378.5	206.1	39.3	60.2	20.9	1.1	10.6	–8.2	65.5	
1979	702.7	273.3	88.0	188.7	152.7	701.1	415.0	230.2	44.8	72.9	28.2	1.1	11.0	1.7	66.3	
1980	767.1	304.2	84.8	212.0	166.2	812.0	469.4	275.0	53.2	89.1	35.9	1.1	14.5	–44.9	72.3	
1981	877.6	351.5	81.1	249.3	195.7	923.7	524.5	311.8	71.6	116.7	45.1	1.1	16.1	–46.2	72.5	
1982	890.3	361.6	63.1	256.7	208.9	1,025.1	572.1	348.5	86.6	138.9	52.4	2.2	18.1	–134.8	69.5	
1983	944.5	360.9	77.2	280.3	226.0	1,113.5	613.1	376.4	99.4	156.9	57.5	2.2	24.3	–169.1	71.6	
1984	1,047.8	387.2	94.0	309.1	257.5	1,192.1	661.5	387.4	120.7	187.3	66.6	2.2	22.9	–144.2	76.7	
1985	1,135.8	428.5	96.5	329.4	281.4	1,290.7	719.5	414.2	136.5	211.5	75.0	2.2	20.4	–154.9	80.9	
1986	1,206.7	449.9	106.5	346.8	303.4	1,378.1	769.1	440.4	145.1	226.1	81.1	2.2	23.6	–171.4	87.6	
1987	1,322.5	503.0	127.1	369.3	323.1	1,458.2	813.6	458.0	156.7	236.5	79.8	2.2	30.1	–135.7	83.9	
1988	1,410.9	519.7	137.2	392.6	361.5	1,532.7	850.7	486.5	168.3	253.7	85.4	2.2	27.4	–121.8	91.6	
1989	1,530.9	583.5	141.5	420.7	385.2	1,641.6	902.6	529.6	187.0	276.9	90.0	2.2	22.6	–110.7	98.3	
1990	1,607.7	609.6	140.6	447.3	410.1	1,778.0	965.7	583.1	204.3	297.8	93.6	2.2	25.3	–170.3	111.4	
1991	1,656.6	610.5	133.6	482.3	430.2	1,879.7	1,015.2	620.1	223.1	314.6	91.5	2.2	21.5	–223.1	131.6	
1992	1,744.4	635.8	143.1	510.6	455.0	2,046.9	1,047.4	745.4	232.0	316.3	84.3	2.2	22.4	–302.5	149.1	
1993	1,857.9	674.6	165.4	540.1	477.8	2,130.5	1,072.1	793.2	235.8	316.0	80.2	2.2	29.6	–272.7	162.6	
1994	1,993.0	722.6	186.7	575.3	508.4	2,196.7	1,102.3	825.4	244.0	326.9	82.9	2.2	25.2	–203.7	174.5	
1995	2,117.1	778.3	211.0	594.6	533.2	2,293.7	1,133.9	869.9	268.0	357.5	89.5	3.3	22.2	–176.7	184.5	
1996	2,269.1	869.7	223.6	620.0	555.8	2,384.5	1,171.8	916.0	274.4	366.6	92.2	3.3	22.6	–115.4	190.4	
1997	2,440.0	968.8	237.2	646.2	587.8	2,462.4	1,223.3	945.0	275.3	371.2	96.0	3.3	19.1	–22.3	196.8	
1998	2,617.2	1,070.9	244.6	679.6	622.1	2,526.5	1,262.1	965.1	278.2	371.2	93.0	4.4	21.5	90.7	209.1	
1999	2,788.0	1,152.0	255.9	718.1	662.1	2,613.5	1,325.7	998.1	261.7	357.0	95.2	4.4	28.4	174.4	229.3	
1995: I	2,069.8	751.8	203.1	589.3	525.6	2,262.2	1,124.2	855.9	260.5	349.4	88.9	2.2	21.8	–192.3	185.1	
1995: II	2,113.7	780.5	208.8	594.1	530.4	2,288.0	1,133.8	865.5	266.9	357.1	90.1	2.2	22.0	–174.4	186.3	
1995: III	2,129.8	781.6	218.7	593.6	535.9	2,309.8	1,141.9	874.5	271.2	360.6	89.4	3.3	22.5	–180.0	185.2	
1995: IV	2,155.0	799.5	213.3	601.3	540.9	2,314.9	1,135.6	883.8	273.3	362.7	89.4	3.3	22.5	–159.9	181.3	
1996: I	2,201.9	830.7	219.7	606.8	544.7	2,361.4	1,154.3	909.4	274.7	365.0	90.3	3.3	23.3	–159.4	185.5	
1996: II	2,263.8	872.5	225.3	613.2	552.9	2,373.6	1,170.0	908.6	272.5	363.9	91.4	3.3	22.9	–109.8	194.0	
1996: III	2,276.5	877.3	224.0	615.7	559.5	2,384.3	1,173.5	914.5	274.7	367.8	93.2	3.3	22.0	–107.8	193.0	
1996: IV	2,334.2	898.1	225.6	644.3	566.1	2,418.7	1,189.5	931.3	275.9	369.7	93.8	3.3	22.2	–84.5	189.2	
1997: I	2,370.5	935.1	227.0	632.0	576.4	2,433.5	1,203.2	935.9	273.6	369.0	95.4	3.3	21.1	–63.0	191.1	
1997: II	2,413.7	954.9	231.8	643.8	583.2	2,455.1	1,221.5	941.0	273.8	371.0	97.2	3.3	19.2	–41.4	193.8	
1997: III	2,469.0	978.9	245.2	654.1	590.8	2,467.2	1,228.1	945.0	276.4	372.6	96.2	3.3	18.0	1.8	196.7	
1997: IV	2,506.9	1,006.3	244.8	655.0	600.9	2,493.7	1,240.4	958.1	277.4	372.3	95.0	4.4	18.2	13.2	205.6	
1998: I	2,555.2	1,035.8	244.1	664.4	610.8	2,491.2	1,237.7	956.8	279.3	372.6	93.3	4.4	17.8	64.0	205.0	
1998: II	2,592.0	1,056.4	245.9	671.9	617.8	2,516.7	1,260.9	958.7	279.7	373.1	93.4	4.4	17.8	75.3	205.4	
1998: III	2,638.1	1,084.0	249.0	679.2	625.8	2,528.7	1,265.6	966.1	279.4	372.0	92.5	4.4	18.0	109.4	209.9	
1998: IV	2,683.6	1,107.5	239.4	702.7	634.0	2,569.5	1,284.0	978.9	274.5	367.3	92.9	4.4	32.4	114.1	216.1	
1999: I	2,706.4	1,113.2	247.8	697.2	648.2	2,568.7	1,296.6	984.0	265.6	359.5	93.9	4.4	22.9	137.6	223.0	
1999: II	2,749.1	1,133.4	250.8	707.9	657.0	2,593.6	1,307.2	992.5	264.3	358.9	94.6	4.4	29.7	155.5	221.4	
1999: III	2,806.6	1,164.0	254.2	721.6	666.9	2,612.0	1,334.4	999.5	258.9	354.3	95.5	4.4	19.5	194.7	234.0	
1999: IV	2,889.8	1,197.3	270.8	745.5	676.1	2,679.8	1,364.5	1,016.2	258.2	355.1	96.9	4.4	41.4	210.0	238.8	
2000: I	2,972.8	1,239.3	286.3	755.9	691.2	2,684.9	1,376.2	1,024.8	260.8	360.6	99.8	4.4	23.5	287.9	235.0	
2000: II	3,035.6	1,277.2	292.0	764.6	701.7	2,734.5	1,410.3	1,044.7	255.7	358.0	102.2	4.4	24.2	301.1	240.9	
2000: III	3,081.0	1,308.1	290.6	772.0	710.2	2,764.4	1,415.2	1,054.9	252.8	354.2	101.4	4.4	42.0	316.6	251.2	

¹ Includes an item for the difference between wage accruals and disbursements, not shown separately.

² Prior to 1968, dividends received is included in interest received.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-84.—*Federal Government current receipts and expenditures, national income and product accounts (NIPA), 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Current receipts					Current expenditures									Current surplus or deficit (–) (NIPA)
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Total ¹	Consumption expenditures		Transfer payments		Grants-in-aid to State and local governments	Net interest paid	Subsidies less current surplus of government enterprises		
							Total	National defense	To persons	To rest of the world (net)					
1959	87.0	38.5	22.5	12.6	13.4	83.8	52.0	42.2	18.6	1.8	3.8	6.4	1.2	3.2	
1960	92.8	41.9	21.4	13.5	16.0	85.8	51.5	42.8	19.9	1.8	4.0	7.1	1.5	7.1	
1961	94.4	42.7	21.5	13.7	16.5	92.0	53.2	44.3	23.1	2.1	4.5	6.6	2.5	2.5	
1962	102.3	46.6	22.5	14.7	18.6	100.0	59.5	48.3	23.5	2.1	5.0	7.1	2.8	2.4	
1963	110.2	49.2	24.6	15.4	21.0	105.0	62.4	50.1	24.6	2.1	5.6	7.7	2.5	5.2	
1964	110.2	46.0	26.1	16.3	21.7	109.3	64.2	50.3	25.2	2.1	6.5	8.4	3.0	8.8	
1965	119.3	51.1	28.9	16.6	22.7	116.1	67.4	52.4	27.3	2.0	7.2	8.9	3.3	3.2	
1966	136.3	58.7	31.4	15.7	30.5	133.6	77.2	61.4	29.9	2.2	10.1	9.8	4.5	2.7	
1967	144.9	64.4	30.0	16.5	34.0	153.2	88.3	71.5	36.2	2.1	11.7	10.5	4.4	–8.3	
1968	168.5	76.5	36.1	18.2	37.8	169.8	97.0	79.0	41.6	1.9	12.7	12.1	4.5	–1.3	
1969	190.1	91.8	36.1	19.2	43.1	180.5	100.0	80.1	45.6	1.8	14.6	13.6	5.0	9.6	
1970	184.3	88.9	30.6	19.5	45.3	198.6	100.4	78.7	55.5	1.9	19.3	15.3	6.2	–14.4	
1971	189.8	85.9	33.5	20.5	50.0	216.6	103.7	79.3	65.9	2.3	23.2	15.3	6.3	–26.8	
1972	217.5	102.9	36.6	20.1	57.9	240.0	109.9	82.3	72.6	2.5	31.7	16.1	7.7	–22.5	
1973	248.5	109.7	43.3	21.5	74.0	259.7	111.6	82.6	84.0	2.4	34.8	19.9	7.0	–11.2	
1974	277.3	126.6	45.1	22.1	83.5	291.2	120.4	87.5	103.1	3.1	36.3	22.9	5.0	–13.9	
1975	276.1	120.9	43.6	24.2	87.5	345.4	131.2	93.4	132.2	3.4	45.1	25.6	7.9	–69.3	
1976	318.9	141.4	54.6	23.8	99.1	371.9	138.0	97.9	142.7	3.6	50.7	29.9	7.1	–53.0	
1977	359.9	162.3	61.6	25.6	110.3	405.0	151.3	105.8	151.7	3.3	56.6	32.5	9.8	–45.2	
1978	417.3	189.1	71.4	28.9	127.9	444.2	164.3	114.2	161.7	3.6	65.5	38.5	10.7	–26.9	
1979	478.3	224.8	74.4	30.1	148.9	489.6	180.0	125.3	182.1	3.9	66.3	47.0	10.3	–11.4	
1980	522.8	250.2	70.3	39.7	162.6	576.6	209.0	145.3	219.0	4.8	72.3	58.5	12.9	–53.8	
1981	605.6	290.8	65.7	57.3	191.8	659.3	239.9	168.9	249.9	4.8	72.5	79.1	13.3	–53.7	
1982	599.5	295.7	49.0	49.9	204.9	732.1	265.3	193.6	281.1	6.1	69.5	93.9	16.1	–132.6	
1983	623.9	287.2	61.3	53.5	221.8	797.8	288.0	210.6	302.5	7.0	71.6	104.6	23.7	–173.9	
1984	688.1	302.5	75.2	57.6	252.8	856.1	312.0	234.9	307.1	9.1	76.7	127.5	24.0	–168.1	
1985	747.4	337.2	76.3	57.5	276.5	924.6	339.0	254.9	325.8	11.1	80.9	144.4	23.3	–177.1	
1986	786.4	351.4	83.8	53.7	297.5	978.5	358.3	269.3	344.0	12.1	87.6	150.5	26.1	–192.1	
1987	870.5	394.5	103.2	56.8	315.9	1,018.4	374.6	284.8	357.0	10.2	83.9	159.8	32.9	–147.9	
1988	928.9	405.7	111.1	58.9	353.1	1,066.2	382.8	294.6	377.5	10.3	91.6	172.1	31.9	–137.4	
1989	1,010.3	454.6	117.2	62.3	376.3	1,140.3	399.6	300.5	409.8	10.4	98.3	193.5	28.7	–130.0	
1990	1,055.7	473.6	118.1	63.9	400.1	1,228.7	419.9	308.9	445.3	10.0	111.4	210.5	31.6	–173.0	
1991	1,072.3	465.2	109.9	78.5	418.6	1,287.6	439.1	321.1	492.4	–29.0	131.6	225.2	28.2	–215.3	
1992	1,121.3	479.4	118.8	81.3	441.8	1,418.9	445.8	316.9	549.1	16.2	149.1	229.2	29.6	–297.5	
1993	1,197.3	509.9	138.5	85.3	463.7	1,471.5	442.6	309.2	581.1	16.7	162.6	230.2	38.2	–274.1	
1994	1,293.7	547.8	156.7	95.2	493.9	1,506.0	439.7	301.1	603.2	15.3	174.5	239.6	33.6	–212.3	
1995	1,383.7	591.8	179.3	93.0	519.6	1,575.7	439.2	297.5	642.3	9.8	184.5	267.5	32.4	–192.0	
1996	1,499.1	670.0	190.6	95.1	543.3	1,635.9	445.3	302.4	678.1	13.6	190.4	273.6	35.1	–136.8	
1997	1,625.5	751.9	203.0	93.7	577.0	1,678.8	456.9	304.2	706.8	10.6	196.8	276.2	31.5	–53.3	
1998	1,754.0	836.0	209.5	96.4	612.1	1,705.0	453.7	299.7	720.2	10.8	209.1	278.8	32.4	49.0	
1999	1,874.6	902.2	219.3	100.5	652.5	1,750.2	470.8	311.2	734.5	11.6	229.3	264.7	39.3	124.4	
1995:I	1,348.2	569.4	172.6	94.6	511.6	1,556.4	439.2	298.2	631.3	10.5	185.1	259.2	31.1	–208.3	
II	1,385.7	596.3	177.5	95.3	516.6	1,574.6	441.3	299.3	639.5	9.3	186.3	266.4	31.9	–188.9	
III	1,391.7	593.3	185.9	90.0	522.5	1,589.3	444.6	301.2	645.9	9.5	185.2	271.1	32.9	–197.6	
IV	1,409.2	608.3	181.3	92.0	527.7	1,582.4	431.8	291.2	652.4	10.0	181.3	273.3	33.6	–173.2	
1996:I	1,446.9	637.5	187.3	90.4	531.8	1,623.4	441.8	298.4	670.0	16.8	185.5	273.9	35.4	–176.5	
II	1,495.6	674.4	192.0	89.0	540.2	1,632.6	447.0	304.1	676.1	8.6	194.0	271.5	35.4	–137.0	
III	1,503.4	675.6	190.9	89.7	547.2	1,633.5	442.9	301.4	680.2	9.0	193.0	273.7	34.7	–130.1	
IV	1,550.5	692.6	192.3	111.3	554.2	1,654.2	449.4	305.6	685.9	19.9	189.2	275.1	34.8	–103.7	
1997:I	1,572.7	724.9	194.3	88.5	565.0	1,659.2	451.3	301.1	702.1	7.2	191.1	273.8	33.7	–86.5	
II	1,607.8	741.5	198.4	95.6	572.2	1,675.8	461.5	308.0	706.3	7.8	193.8	274.8	31.7	–68.0	
III	1,645.5	759.6	209.8	95.9	580.2	1,679.2	457.5	304.1	709.2	8.0	196.7	277.5	30.4	–33.7	
IV	1,676.0	781.3	209.5	94.7	590.5	1,701.0	457.2	303.6	709.8	19.6	205.6	278.5	30.3	–25.0	
1998:I	1,711.8	807.0	209.1	95.1	600.5	1,685.9	445.5	291.9	718.8	8.1	205.0	279.6	28.7	25.9	
II	1,740.3	826.2	210.6	95.8	607.7	1,698.4	457.5	301.2	719.6	7.0	205.4	280.2	28.7	41.9	
III	1,772.6	845.9	213.3	97.5	615.9	1,700.6	451.0	301.7	721.7	9.1	209.9	280.0	28.8	71.9	
IV	1,791.5	864.8	205.1	97.3	624.2	1,735.1	460.7	304.1	720.5	19.1	216.1	275.4	43.2	56.4	
1999:I	1,817.4	868.7	212.3	97.9	638.6	1,727.8	464.5	305.7	730.3	8.3	223.0	267.7	33.9	89.7	
II	1,849.6	888.5	214.9	98.9	647.4	1,732.2	460.2	302.2	732.9	10.0	221.4	267.1	40.7	117.5	
III	1,890.3	913.7	217.8	101.4	657.4	1,743.1	471.3	312.2	735.9	9.1	234.0	262.2	30.5	147.3	
IV	1,941.0	938.2	232.3	103.9	666.6	1,797.7	487.0	324.7	738.8	18.9	238.8	261.8	52.3	143.3	
2000:I	2,011.9	978.0	245.7	106.8	681.5	1,776.0	478.7	311.2	754.9	8.3	235.0	265.0	34.1	235.8	
II	2,054.8	1,003.6	250.5	108.9	691.8	1,813.9	499.0	325.7	769.9	9.1	240.9	260.3	34.6	240.9	
III	2,089.4	1,030.9	249.4	108.9	700.2	1,836.0	489.9	319.6	773.8	11.4	251.2	257.2	52.4	253.3	

¹ Includes an item for the difference between wage accruals and disbursements, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-85.—*State and local government current receipts and expenditures, national income and product accounts (NIPA), 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Current receipts						Current expenditures					Current surplus or deficit (–) (NIPA)
	Total	Personal tax and nontax receipts	Corporate profits tax accruals	Indirect business tax and nontax accruals	Contributions for social insurance	Federal grants-in-aid	Total ¹	Consumption expenditures	Transfer payments to persons	Net interest paid less dividends received	Subsidies less current surplus of government enterprises	
1959	38.9	4.2	1.2	29.3	0.4	3.8	35.1	31.1	4.3	0.7	–1.1	3.8
1960	42.4	4.7	1.2	32.0	.5	4.0	38.1	34.0	4.6	.8	–1.2	4.3
1961	45.9	5.1	1.3	34.4	.5	4.5	41.6	37.0	5.0	1.0	–1.3	4.3
1962	49.7	5.7	1.5	37.0	.5	5.0	44.5	39.4	5.3	1.1	–1.4	5.2
1963	53.4	6.1	1.7	39.4	.6	5.6	47.7	42.4	5.7	1.2	–1.6	5.7
1964	58.4	6.8	1.8	42.6	.7	6.5	52.0	46.3	6.2	1.2	–1.6	6.4
1965	63.3	7.3	2.0	46.1	.8	7.2	56.8	50.8	6.7	1.1	–1.7	6.5
1966	71.5	8.7	2.2	49.7	.8	10.1	63.8	56.8	7.6	1.0	–1.6	7.7
1967	78.9	9.7	2.6	53.9	.9	11.7	71.9	63.2	9.2	1.0	–1.5	7.0
1968	89.5	11.8	3.3	60.8	.9	12.7	82.1	71.1	11.4	1.0	–1.5	7.5
1969	100.7	14.1	3.6	67.4	1.0	14.6	92.8	80.2	13.2	.8	–1.4	8.0
1970	114.6	15.7	3.7	74.8	1.1	19.3	107.5	92.0	16.1	.9	–1.5	7.1
1971	129.3	17.5	4.3	83.1	1.2	23.2	122.9	103.4	19.3	1.7	–1.3	6.4
1972	152.3	22.8	5.3	91.2	1.3	31.7	136.7	113.8	22.0	2.3	–1.5	15.6
1973	166.6	24.7	6.0	99.5	1.5	34.8	150.9	126.9	24.1	1.3	–1.4	15.7
1974	178.5	26.7	6.7	107.2	1.7	36.3	169.2	144.5	25.3	.2	–.8	9.3
1975	199.6	29.5	7.3	115.8	1.8	45.1	197.2	165.4	30.8	1.3	–.2	2.4
1976	224.5	34.1	9.6	127.8	2.2	50.7	217.2	180.1	34.1	3.2	–.2	7.3
1977	249.5	38.8	11.4	139.9	2.8	56.6	236.4	196.5	37.0	3.0	–.1	13.1
1978	274.3	44.3	12.1	148.9	3.4	65.5	255.6	214.3	40.8	.7	.0	18.7
1979	290.8	48.4	13.6	158.6	3.9	66.3	277.8	235.0	44.3	–2.3	.6	13.0
1980	316.6	53.9	14.5	172.3	3.6	72.3	307.8	260.5	51.2	–5.5	1.6	8.8
1981	344.4	60.6	15.4	192.0	3.9	72.5	336.9	284.6	57.1	–7.6	2.8	7.5
1982	360.3	65.9	14.0	206.8	4.0	69.5	362.5	306.8	61.2	–7.5	2.1	–2.3
1983	392.1	73.7	15.9	226.8	4.1	71.6	387.3	325.1	66.9	–5.4	.7	4.8
1984	436.4	84.8	18.8	251.5	4.7	76.7	412.6	349.5	71.2	–6.9	–1.1	23.8
1985	469.2	91.3	20.2	272.0	4.9	80.9	447.0	380.5	77.3	–8.1	–2.8	22.3
1986	507.9	98.6	22.7	293.1	6.0	87.6	487.2	410.8	84.4	–5.7	–2.5	20.8
1987	536.0	108.5	23.9	312.4	7.2	83.9	523.8	439.0	90.8	–3.3	–2.8	12.2
1988	573.7	114.0	26.0	333.7	8.4	91.6	558.1	467.9	98.6	–4.0	–4.5	15.6
1989	618.9	128.9	24.2	358.5	9.0	98.3	599.6	503.0	109.5	–6.8	–6.1	19.3
1990	663.4	136.0	22.5	383.4	10.0	111.4	660.8	545.8	127.8	–6.5	–6.3	2.6
1991	716.0	145.3	23.6	403.8	11.6	131.6	723.8	576.1	156.6	–2.3	–6.6	–7.8
1992	772.2	156.4	24.4	429.2	13.1	149.1	777.2	601.6	180.1	2.6	–7.2	–4.9
1993	823.2	164.7	26.9	454.8	14.1	162.6	821.7	629.5	195.4	5.4	–8.6	1.5
1994	873.8	174.8	30.0	480.1	14.5	174.5	865.2	662.6	206.9	4.2	–8.5	8.6
1995	917.9	186.5	31.7	501.6	13.6	184.5	902.5	694.7	217.8	.2	–10.2	15.3
1996	960.4	199.6	33.0	524.9	12.5	190.4	939.0	726.5	224.3	.6	–12.5	21.4
1997	1,011.3	216.9	34.2	552.5	10.8	196.8	980.3	766.4	227.5	–1.2	–12.4	31.0
1998	1,072.3	234.9	35.1	583.1	10.0	209.1	1,030.6	808.4	234.1	–1.0	–10.9	41.7
1999	1,142.7	249.7	36.6	617.5	9.6	229.3	1,092.7	855.0	252.0	–3.4	–11.0	50.0
1995: I	906.8	182.4	30.5	494.7	14.0	185.1	890.8	685.0	214.1	1.1	–9.4	15.9
II	914.3	184.2	31.2	498.8	13.8	186.3	899.7	692.6	216.7	.4	–9.9	14.6
III	923.4	188.3	32.9	503.5	13.5	185.2	905.8	697.3	219.1	–2	–10.4	17.5
IV	927.0	191.3	32.1	509.3	13.2	181.3	913.8	703.8	221.3	–3	–11.1	13.3
1996: I	940.4	193.2	32.4	516.4	12.9	185.5	923.4	712.5	222.6	.5	–12.1	17.0
II	962.2	198.1	33.3	524.2	12.6	194.0	935.0	723.0	223.9	.7	–12.6	27.2
III	966.1	201.7	33.1	526.0	12.3	193.0	943.8	730.6	225.3	.7	–12.7	22.3
IV	972.9	205.5	33.3	533.0	11.9	189.2	953.6	740.0	225.6	.5	–12.5	19.3
1997: I	988.9	210.2	32.8	543.5	11.4	191.1	965.4	751.9	226.6	–.5	–12.5	23.5
II	999.7	213.4	33.4	548.2	11.0	193.8	973.1	760.0	227.0	–1.3	–12.5	26.6
III	1,020.1	219.2	35.4	558.2	10.6	196.7	984.6	770.7	227.9	–1.4	–12.5	35.5
IV	1,036.6	225.0	35.2	560.3	10.4	205.6	998.3	783.2	228.7	–1.6	–12.1	38.3
1998: I	1,048.5	228.8	35.1	569.3	10.3	205.0	1,010.3	792.2	229.8	–.8	–10.9	38.1
II	1,057.2	230.2	35.3	576.1	10.1	205.4	1,023.8	803.5	232.1	–.8	–10.9	33.4
III	1,075.4	238.1	35.8	581.7	9.9	209.9	1,037.9	814.5	235.2	–1.0	–10.9	37.5
IV	1,108.2	242.7	34.3	605.3	9.8	216.1	1,050.5	823.4	239.3	–1.4	–10.8	57.7
1999: I	1,111.9	244.5	35.5	599.3	9.6	223.0	1,064.0	832.1	245.4	–2.5	–11.0	47.9
II	1,120.8	244.9	35.9	609.1	9.6	221.4	1,082.9	847.2	249.7	–3.1	–11.0	38.0
III	1,150.3	250.3	36.3	620.2	9.5	234.0	1,102.9	863.1	254.5	–3.7	–11.0	47.4
IV	1,187.6	259.2	38.5	641.6	9.5	238.8	1,121.0	877.4	258.5	–4.0	–10.9	66.6
2000: I	1,195.9	261.4	40.6	649.2	9.7	235.0	1,143.9	897.5	261.6	–4.6	–10.6	52.0
II	1,221.7	273.6	41.5	655.7	9.9	240.9	1,161.6	911.3	265.6	–5.0	–10.4	60.1
III	1,242.8	277.2	41.2	663.2	10.0	251.2	1,179.6	925.2	269.6	–4.8	–10.5	63.2

¹ Includes an item for the difference between wage accruals and disbursements, not shown separately.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-86.—*State and local government revenues and expenditures, selected fiscal years, 1927–97*
[Millions of dollars]

Fiscal year ¹	General revenues by source ²							General expenditures by function ²				
	Total	Property taxes	Sales and gross receipts taxes	Individual income taxes	Corporation net income taxes	Revenue from Federal Government	All other ³	Total	Edu- cation	High- ways	Public welfare	All other ⁴
1927	7,271	4,730	470	70	92	116	1,793	7,210	2,235	1,809	151	3,015
1932	7,267	4,487	752	74	79	232	1,643	7,765	2,311	1,741	444	3,269
1934	7,678	4,076	1,008	80	49	1,016	1,449	7,181	1,831	1,509	889	2,952
1936	8,395	4,093	1,484	153	113	948	1,604	7,644	2,177	1,425	827	3,215
1938	9,228	4,440	1,794	218	165	800	1,811	8,757	2,491	1,650	1,069	3,547
1940	9,609	4,430	1,982	224	156	945	1,872	9,229	2,638	1,573	1,156	3,862
1942	10,418	4,537	2,351	276	272	858	2,123	9,190	2,586	1,490	1,225	3,889
1944	10,908	4,604	2,289	342	451	954	2,269	8,863	2,793	1,200	1,133	3,737
1946	12,356	4,986	2,986	422	447	855	2,661	11,028	3,356	1,672	1,409	4,591
1948	17,250	6,126	4,442	543	592	1,861	3,685	17,684	5,379	3,036	2,099	7,170
1950	20,911	7,349	5,154	788	593	2,486	4,541	22,787	7,177	3,803	2,940	8,867
1952	25,181	8,652	6,357	998	846	2,566	5,763	26,098	8,318	4,650	2,788	10,342
1953	27,307	9,375	6,927	1,065	817	2,870	6,252	27,910	9,390	4,987	2,914	10,619
1954	29,012	9,967	7,276	1,127	778	2,966	6,897	30,701	10,557	5,527	3,060	11,557
1955	31,073	10,735	7,643	1,237	744	3,131	7,584	33,724	11,907	6,452	3,168	12,197
1956	34,667	11,749	8,691	1,538	890	3,335	8,465	36,711	13,220	6,953	3,139	13,399
1957	38,164	12,864	9,467	1,754	984	3,843	9,252	40,375	14,134	7,816	3,485	14,940
1958	41,219	14,047	9,829	1,759	1,018	4,865	9,699	44,851	15,919	8,567	3,818	16,547
1959	45,306	14,983	10,437	1,994	1,001	6,377	10,516	48,887	17,283	9,592	4,136	17,876
1960	50,505	16,405	11,849	2,463	1,180	6,974	11,634	51,876	18,719	9,428	4,404	19,325
1961	54,037	18,002	12,463	2,613	1,266	7,131	12,563	56,201	20,574	9,844	4,720	21,063
1962	58,252	19,054	13,494	3,037	1,308	7,871	13,489	60,206	22,216	10,357	5,084	22,549
1963	62,890	20,089	14,456	3,269	1,505	8,722	14,850	64,816	23,776	11,136	5,481	24,423
1962-63	62,269	19,833	14,446	3,267	1,505	8,663	14,556	63,977	23,729	11,150	5,420	23,678
1963-64	68,443	21,241	15,762	3,791	1,695	10,002	15,951	69,302	26,286	11,664	5,766	25,586
1964-65	74,000	22,583	17,118	4,090	1,929	11,029	17,250	74,678	28,563	12,221	6,315	27,579
1965-66	83,036	24,670	19,085	4,760	2,038	13,214	19,269	82,843	33,287	12,770	6,757	30,029
1966-67	91,197	26,047	20,530	5,825	2,227	15,370	21,197	93,350	37,919	13,932	8,218	33,281
1967-68	101,264	27,747	22,911	7,308	2,518	17,181	23,598	102,411	41,158	14,481	9,857	36,915
1968-69	114,550	30,673	26,519	8,908	3,180	19,153	26,118	116,728	47,238	15,417	12,110	41,963
1969-70	130,756	34,054	30,322	10,812	3,738	21,857	29,971	131,332	52,718	16,427	14,679	47,508
1970-71	144,927	37,852	33,233	11,900	3,424	26,146	32,374	150,674	59,413	18,095	18,226	54,940
1971-72	167,541	42,877	37,518	15,227	4,416	31,342	36,162	168,549	65,814	19,021	21,117	62,597
1972-73	190,222	45,283	42,047	17,994	5,425	39,264	40,210	181,357	69,714	18,615	23,582	69,446
1973-74	207,670	47,705	46,098	19,491	6,015	41,820	46,541	198,959	75,833	19,946	25,085	78,096
1974-75	228,171	51,491	49,815	21,454	6,642	47,034	51,735	230,722	87,858	22,528	28,156	92,180
1975-76	256,176	57,001	54,547	24,575	7,273	55,589	57,191	256,731	97,216	23,907	32,604	103,004
1976-77	285,157	62,527	60,641	29,246	9,174	62,444	61,124	274,215	102,780	23,058	35,906	112,472
1977-78	315,960	66,422	67,596	33,176	10,738	69,592	68,436	296,984	110,758	24,609	39,140	122,477
1978-79	343,236	64,944	74,247	36,932	12,128	75,164	79,821	327,517	119,448	28,440	41,898	137,731
1979-80	382,322	68,499	79,927	42,080	13,321	83,029	95,466	369,086	133,211	33,311	47,288	155,277
1980-81	423,404	74,969	85,971	46,426	14,143	90,294	111,599	407,449	145,784	34,603	54,105	172,957
1981-82	457,654	82,067	93,613	50,738	15,028	87,282	128,926	436,733	154,282	34,520	57,996	189,935
1982-83	486,753	89,105	100,247	55,129	14,258	90,007	138,008	466,516	163,876	36,655	60,906	205,079
1983-84	542,730	96,457	114,097	64,529	17,141	96,935	153,570	505,008	176,108	39,419	66,414	223,068
1984-85	598,121	103,757	126,376	70,361	19,152	106,158	172,317	553,899	192,686	44,989	71,479	244,745
1985-86	641,486	111,709	135,005	74,365	19,994	113,099	187,314	605,623	210,819	49,368	75,868	269,568
1986-87	686,860	121,203	144,091	83,935	22,425	114,857	200,350	657,134	226,619	52,355	82,650	295,510
1987-88	726,762	132,212	156,452	88,350	23,663	117,602	208,482	704,921	242,683	55,621	89,090	317,528
1988-89	786,129	142,400	166,336	97,806	25,926	125,824	227,838	762,360	263,898	58,105	97,879	342,479
1989-90	849,502	155,613	177,885	105,640	23,566	136,802	249,996	834,818	288,148	61,057	110,518	375,095
1990-91	902,207	167,999	185,570	109,341	22,242	154,099	262,955	908,108	309,302	64,937	130,402	403,467
1991-92	979,137	180,337	197,731	115,638	23,880	179,174	282,376	981,253	324,652	67,351	158,723	430,526
1992-93	1,041,567	189,793	209,649	123,235	26,417	198,591	293,932	1,033,167	342,287	68,370	170,705	451,805
1993-94	1,100,441	197,140	223,628	128,810	28,320	215,445	307,098	1,077,665	353,287	72,067	183,384	468,917
1994-95	1,169,505	203,451	237,268	137,931	31,406	228,771	330,677	1,149,863	378,273	77,109	196,703	497,779
1995-96	1,222,821	209,440	248,993	146,844	32,009	234,891	350,645	1,193,276	398,859	79,092	197,354	517,971
1996-97	1,289,217	218,827	261,734	159,070	33,820	244,607	371,159	1,251,299	419,053	82,062	203,783	546,401

¹ Fiscal years not the same for all governments. See Note.

² Excludes revenues or expenditures of publicly owned utilities and liquor stores, and of insurance-trust activities. Intergovernmental receipts and payments between State and local governments are also excluded.

³ Includes other taxes and charges and miscellaneous revenues.

⁴ Includes expenditures for libraries, hospitals, health, employment security administration, veterans' services, air transportation, water transport and terminals, parking facilities, and transit subsidies, police protection, fire protection, correction, protective inspection and regulation, sewerage, natural resources, parks and recreation, housing and community development, solid waste management, financial administration, judicial and legal, general public buildings, other government administration, interest on general debt, and general expenditures, n.e.c.

Note.—Except for States listed, data for fiscal years listed from 1962-63 to 1996-97 are the aggregation of data for government fiscal years that ended in the 12-month period from July 1 to June 30 of those years (Texas used August and Alabama and Michigan used September). Data for 1963 and earlier years include data for governments fiscal years ending during that particular calendar year.

Data are not available for intervening years.

Source: Department of Commerce, Bureau of the Census.

TABLE B-87.—*Interest-bearing public debt securities by kind of obligation, 1967–2000*
[Billions of dollars]

End of year or month	Total interest- bearing public debt securities	Marketable						Nonmarketable				
		Total ¹	Treas- ury bills	Treasury notes	Treasury bonds	Treasury inflation- indexed		Total	U.S. savings securi- ties ²	For- eign se- ries ³	Govern- ment account series	Other ⁴
						Notes	Bonds					
Fiscal year:												
1967	322.3	⁵ 210.7	58.5	49.1	97.4	.....	.....	111.6	51.2	1.5	56.2	2.7
1968	344.4	226.6	64.4	71.1	91.1	.....	.....	117.8	51.7	3.7	59.5	2.8
1969	351.7	226.1	68.4	78.9	78.8	.....	.....	125.6	51.7	4.1	66.8	3.1
1970	369.0	232.6	76.2	93.5	63.0	.....	.....	136.4	51.3	4.8	76.3	4.1
1971	396.3	245.5	86.7	104.8	54.0	.....	.....	150.8	53.0	9.3	82.8	5.8
1972	425.4	257.2	94.6	113.4	49.1	.....	.....	168.2	55.9	19.0	89.6	3.7
1973	456.4	263.0	100.1	117.8	45.1	.....	.....	193.4	59.4	28.5	101.7	3.7
1974	473.2	266.6	105.0	128.4	33.1	.....	.....	206.7	61.9	25.0	115.4	4.3
1975	532.1	315.6	128.6	150.3	36.8	.....	.....	216.5	65.5	23.2	124.2	3.6
1976	619.3	392.6	161.2	191.8	39.6	.....	.....	226.7	69.7	21.5	130.6	4.9
1977	697.6	443.5	156.1	241.7	45.7	.....	.....	254.1	75.4	21.8	140.1	16.8
1978	767.0	485.2	160.9	267.9	56.4	.....	.....	281.8	79.8	21.7	153.3	27.1
1979	819.0	506.7	161.4	274.2	71.1	.....	.....	312.3	80.4	28.1	176.4	27.4
1980	906.4	594.5	199.8	310.9	83.8	.....	.....	311.9	72.7	25.2	189.8	24.2
1981	996.5	683.2	223.4	363.6	96.2	.....	.....	313.3	68.0	20.5	201.1	23.7
1982	1,140.9	824.4	277.9	442.9	103.6	.....	.....	316.5	67.3	14.6	210.5	24.1
1983	1,375.8	1,024.0	340.7	557.5	125.7	.....	.....	351.8	70.0	11.5	234.7	35.6
1984	1,559.6	1,176.6	356.8	661.7	158.1	.....	.....	383.0	72.8	8.8	259.5	41.8
1985	1,821.0	1,360.2	384.2	776.4	199.5	.....	.....	460.8	77.0	6.6	313.9	63.3
1986	2,122.7	¹ 1,564.3	410.7	896.9	241.7	.....	.....	558.4	85.6	4.1	365.9	102.8
1987	2,347.8	¹ 1,676.0	378.3	1,005.1	277.6	.....	.....	671.8	97.0	4.4	440.7	129.8
1988	2,599.9	¹ 1,802.9	398.5	1,089.6	299.9	.....	.....	797.0	106.2	6.3	536.5	148.0
1989	2,836.3	¹ 1,892.8	406.6	1,133.2	338.0	.....	.....	943.5	114.0	6.8	663.7	159.0
1990	3,210.9	¹ 2,092.8	482.5	1,218.1	377.2	.....	.....	1,118.2	122.2	36.0	779.4	180.6
1991	3,662.8	¹ 2,390.7	564.6	1,387.7	423.4	.....	.....	1,272.1	133.5	41.6	908.4	188.5
1992	4,061.8	¹ 2,677.5	634.3	1,566.3	461.8	.....	.....	1,384.3	148.3	37.0	1,011.0	188.0
1993	4,408.6	¹ 2,904.9	658.4	1,734.2	497.4	.....	.....	1,503.7	167.0	42.5	1,114.3	179.9
1994	4,689.5	¹ 3,091.6	697.3	1,867.5	511.8	.....	.....	1,597.9	176.4	42.0	1,211.7	167.8
1995	4,950.6	¹ 3,260.4	742.5	1,980.3	522.6	.....	.....	1,690.2	181.2	41.0	1,324.3	143.8
1996	5,220.8	¹ 3,418.4	761.2	2,098.7	543.5	.....	.....	1,802.4	184.1	37.5	1,454.7	126.1
1997	5,407.5	¹ 3,439.6	701.9	2,122.2	576.2	24.4	.....	1,967.9	182.7	34.9	1,608.5	141.9
1998	5,518.7	¹ 3,331.0	637.6	2,009.1	610.4	41.9	17.0	2,187.7	180.8	35.1	1,777.3	194.4
1999	5,647.2	¹ 3,233.0	653.2	1,828.8	643.7	67.6	24.8	2,414.2	180.0	31.0	2,005.2	198.1
2000	5,622.1	¹ 2,992.8	616.2	1,611.3	635.3	81.6	33.4	2,629.3	177.7	25.4	2,242.9	183.3
1999: Jan	5,568.1	¹ 3,292.8	662.7	1,917.7	621.2	59.1	17.0	2,275.3	180.4	34.1	1,866.3	194.5
Feb	5,580.2	¹ 3,294.5	667.5	1,903.4	632.5	59.1	17.0	2,285.7	180.6	33.9	1,875.9	195.2
Mar	5,643.1	¹ 3,361.3	725.5	1,912.0	632.5	59.2	17.1	2,281.8	180.6	33.5	1,870.2	191.7
Apr	5,577.4	¹ 3,272.6	650.1	1,891.2	632.5	59.3	24.5	2,304.8	180.8	32.9	1,889.4	207.4
May	5,563.1	¹ 3,240.6	648.5	1,860.6	632.5	59.5	24.5	2,322.5	180.0	31.8	1,908.3	202.4
June	5,629.5	¹ 3,248.5	647.8	1,868.5	632.5	59.9	24.7	2,381.0	180.0	30.9	1,967.5	202.6
July	5,599.1	¹ 3,223.7	654.8	1,829.3	632.5	67.4	24.7	2,375.4	180.1	30.9	1,964.8	199.6
Aug	5,663.4	¹ 3,281.0	689.9	1,840.3	643.7	67.4	24.7	2,382.4	180.0	30.7	1,973.1	198.5
Sept	5,647.2	¹ 3,233.0	653.2	1,828.8	643.7	67.6	24.8	2,414.2	180.0	31.0	2,005.2	198.1
Oct	5,640.6	¹ 3,211.2	663.0	1,789.5	643.7	67.8	32.3	2,429.4	180.3	31.0	2,022.2	196.0
Nov	5,684.7	¹ 3,243.7	687.9	1,796.6	643.7	68.1	32.5	2,441.0	180.4	31.0	2,032.7	197.0
Dec	5,766.1	¹ 3,281.0	737.1	1,784.5	643.7	68.2	32.5	2,485.1	179.3	31.3	2,078.7	195.7
2000: Jan	5,701.4	¹ 3,199.8	670.0	1,764.0	643.7	74.6	32.6	2,501.6	179.1	31.3	2,098.5	192.8
Feb	5,725.7	¹ 3,218.7	695.9	1,745.8	655.0	74.6	32.6	2,506.9	179.0	31.3	2,103.8	192.8
Mar	5,763.8	¹ 3,261.2	753.3	1,732.6	653.0	74.7	32.6	2,502.6	178.6	28.8	2,103.3	191.9
Apr	5,646.2	¹ 3,119.3	651.3	1,694.0	651.0	75.2	32.8	2,526.9	178.5	28.7	2,127.5	192.2
May	5,637.1	¹ 3,092.4	636.6	1,692.2	639.7	75.8	33.1	2,544.7	177.8	28.5	2,146.7	191.7
June	5,675.9	¹ 3,070.7	629.9	1,679.1	637.7	75.8	33.1	2,605.2	177.7	27.7	2,209.4	190.3
July	5,648.9	¹ 3,046.1	620.6	1,663.1	633.2	81.0	33.1	2,602.8	177.8	25.4	2,214.5	185.0
Aug	5,668.0	¹ 3,056.5	647.4	1,642.6	636.8	81.4	33.3	2,611.5	177.7	25.4	2,224.0	184.4
Sept	5,622.1	¹ 2,992.8	616.2	1,611.3	635.3	81.6	33.4	2,629.3	177.7	25.4	2,242.9	183.3
Oct	5,647.6	¹ 2,993.9	618.5	1,608.8	631.3	81.6	38.7	2,653.7	177.9	25.4	2,267.4	182.9
Nov	5,700.0	¹ 3,036.7	682.1	1,589.6	629.0	82.1	38.9	2,663.3	178.1	25.1	2,277.3	182.7

¹ Includes Federal Financing Bank securities, not shown separately, in the amount of \$15 billion.

² Through 1996, series is U.S. savings bonds. Beginning January 1997, includes U.S. retirement plan bonds, U.S. individual retirement bonds, and U.S. savings notes previously included in "other" nonmarketable interest-bearing public debt securities.

³ Nonmarketable certificates of indebtedness, notes, bonds, and bills in the Treasury foreign series of dollar-denominated and foreign-currency denominated issues.

⁴ Includes depository bonds, retirement plan bonds, Rural Electrification Administration bonds, State and local bonds, and special issues held only by U.S. Government agencies and trust funds and the Federal home loan banks. See footnote 2.

⁵ Includes \$5,610 million in certificates not shown separately.

Note.—Through fiscal year 1976, the fiscal year was on a July 1-June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an October 1-September 30 basis.

Source: Department of the Treasury.

TABLE B-88.—*Maturity distribution and average length of marketable interest-bearing public debt securities held by private investors, 1967–2000*

End of year or month	Amount out-standing, privately held	Maturity class					Average length ¹	
		Within 1 year	1 to 5 years	5 to 10 years	10 to 20 years	20 years and over	Years	Months
		Millions of dollars						
Fiscal year:								
1967	150,321	56,561	53,584	21,057	6,153	12,968	5	1
1968	159,671	66,746	52,295	21,850	6,110	12,670	4	5
1969	156,008	69,311	50,182	18,078	6,097	12,337	4	2
1970	157,910	76,443	57,035	8,286	7,876	8,272	3	8
1971	161,863	74,803	58,557	14,503	6,357	7,645	3	6
1972	165,978	79,509	57,157	16,033	6,358	6,922	3	3
1973	167,869	84,041	54,139	16,385	8,741	4,564	3	1
1974	164,862	87,150	50,103	14,197	9,930	3,481	2	11
1975	210,382	115,677	65,852	15,385	8,857	4,611	2	8
1976	279,782	150,296	90,578	24,169	8,087	6,652	2	7
1977	326,674	161,329	113,319	33,067	8,428	10,531	2	11
1978	356,501	163,819	132,993	33,500	11,383	14,805	3	3
1979	380,530	181,883	127,574	32,279	18,489	20,304	3	7
1980	463,717	220,084	156,244	38,809	25,901	22,679	3	9
1981	549,863	256,187	182,237	48,743	32,569	30,127	4	0
1982	682,043	314,436	221,783	75,749	33,017	37,058	3	11
1983	862,631	379,579	294,955	99,174	40,826	48,097	4	1
1984	1,017,488	437,941	332,808	130,417	49,664	66,658	4	6
1985	1,185,675	472,661	402,766	159,383	62,853	88,012	4	11
1986	1,354,275	506,903	467,348	189,995	70,664	119,365	5	3
1987	1,445,366	483,582	526,746	209,160	72,862	153,016	5	9
1988	1,555,208	524,201	552,993	232,453	74,186	171,375	5	9
1989	1,654,660	546,751	578,333	247,428	80,616	201,532	6	0
1990	1,841,903	626,297	630,144	267,573	82,713	235,176	6	1
1991	2,113,799	713,778	761,243	280,574	84,900	273,304	6	0
1992	2,363,802	808,705	866,329	295,921	84,706	308,141	5	11
1993	2,562,336	858,135	978,714	306,663	94,345	324,479	5	10
1994	2,719,861	877,932	1,128,322	289,998	88,208	335,401	5	8
1995	2,870,781	1,002,875	1,157,492	290,111	87,297	333,006	5	4
1996	3,011,185	1,058,558	1,212,258	306,643	111,360	322,366	5	3
1997	2,998,846	1,017,913	1,206,993	321,622	154,205	298,113	5	4
1998	2,856,637	940,572	1,105,175	319,331	157,347	334,212	5	8
1999	2,728,011	915,145	962,644	378,163	149,703	322,356	5	9
2000	2,469,152	858,903	791,540	355,382	167,082	296,246	5	10
1999: Jan	2,825,086	953,672	1,035,290	376,570	123,614	335,940	5	7
Feb	2,820,023	954,337	1,021,966	374,166	141,265	328,289	5	9
Mar	2,879,622	1,010,698	1,027,821	373,913	140,849	326,341	5	6
Apr	2,783,211	928,597	1,007,440	373,146	140,587	333,441	5	8
May	2,745,144	926,147	982,625	369,372	135,759	331,241	5	9
June	2,747,670	920,996	989,891	369,607	135,759	331,415	5	8
July	2,725,180	919,082	962,199	376,718	135,759	331,421	5	8
Aug	2,774,834	950,892	973,938	378,017	149,703	322,284	5	8
Sept	2,728,011	915,145	962,644	378,163	149,703	322,356	5	9
Oct	2,707,220	915,952	933,742	378,284	149,702	329,539	5	9
Nov	2,734,859	938,474	951,771	370,956	144,427	329,231	5	8
Dec	2,787,126	1,009,248	934,945	370,470	144,045	328,417	5	6
2000: Jan	2,683,681	915,464	921,105	375,697	144,045	327,369	5	8
Feb	2,702,058	939,872	907,671	373,002	152,913	328,601	5	9
Mar	2,743,400	1,001,796	889,900	372,500	151,049	328,156	5	7
Apr	2,600,311	893,167	857,878	371,881	151,048	326,337	5	10
May	2,570,193	876,491	860,823	362,767	155,082	315,031	5	10
June	2,549,041	877,788	842,755	362,792	151,975	313,732	5	10
July	2,524,546	871,922	822,703	367,915	150,725	311,281	5	9
Aug	2,530,893	887,294	822,565	355,767	168,672	296,595	5	10
Sept	2,469,152	858,903	791,540	355,382	167,082	296,246	5	10

¹Treasury inflation-indexed notes (first offered in 1997) and bonds (first offered in 1998) are excluded from the average length calculation.

Note.—Through fiscal year 1976, the fiscal year was on a July 1-June 30 basis; beginning October 1976 (fiscal year 1977), the fiscal year is on an October 1-September 30 basis.

Source: Department of the Treasury.

TABLE B-89.—*Estimated ownership of U.S. Treasury securities, 1989–2000*
[Billions of dollars]

End of month	Total public debt ¹	Federal Reserve and Government ac- counts ²	Held by private investors									
			Total privately held	De-pository institu- tions ³	U.S. savings bonds ⁴	Pension funds		Insurance com- panies	Mutual funds ⁶	State and local govern- ments	Foreign and inter- nation- al ⁷	Other inves- tors ⁸
						Pri- vate ⁵	State and local govern- ments					
1989: Mar	2,740.9	837.5	1,903.4	239.0	112.2	107.7	127.3	119.6	118.5	355.9	373.5	349.7
June	2,799.9	890.8	1,909.1	218.2	114.0	113.4	127.9	120.6	116.5	358.6	366.4	373.6
Sept	2,857.4	899.1	1,958.3	205.4	115.7	119.5	129.4	121.2	120.4	359.8	391.8	395.1
Dec	2,953.0	935.6	2,017.4	204.2	117.7	127.3	128.6	123.9	124.9	369.1	426.1	395.6
1990: Mar	3,052.0	935.4	2,116.6	218.8	119.9	116.6	139.0	132.3	142.7	401.1	445.4	400.8
June	3,143.8	1,003.8	2,140.0	214.2	121.9	122.6	144.6	133.7	141.2	405.0	451.0	405.7
Sept	3,233.3	1,026.0	2,207.3	214.8	123.9	126.5	146.4	136.4	147.6	407.3	463.8	440.7
Dec	3,364.8	1,059.5	2,305.3	206.5	126.2	129.7	144.5	138.2	162.8	410.6	487.1	499.8
1991: Mar	3,465.2	1,104.6	2,360.6	222.5	129.7	122.9	153.4	147.2	186.1	415.6	492.0	491.2
June	3,538.0	1,139.1	2,398.9	231.5	133.2	122.8	155.0	156.8	180.1	416.8	502.0	500.7
Sept	3,665.3	1,166.9	2,498.4	251.7	135.4	126.2	140.2	171.4	199.5	430.2	506.3	537.6
Dec	3,801.7	1,223.2	2,578.5	271.5	138.1	126.9	141.7	181.8	221.8	435.5	520.9	540.3
1992: Mar	3,881.3	1,215.5	2,665.8	300.5	142.0	116.9	140.7	188.4	227.9	460.0	536.4	553.0
June	3,984.7	1,272.3	2,712.4	315.1	145.4	116.7	146.7	192.8	235.2	435.6	558.2	566.7
Sept	4,064.6	1,282.4	2,782.2	337.1	150.3	120.0	166.4	194.8	245.1	429.3	562.8	576.5
Dec	4,177.0	1,329.7	2,847.3	348.3	157.3	121.1	172.3	197.5	259.5	418.2	576.7	596.4
1993: Mar	4,230.6	1,328.6	2,902.0	362.6	163.6	112.1	171.2	208.0	261.5	434.0	585.9	603.2
June	4,352.0	1,400.6	2,951.4	361.0	166.5	111.6	176.9	217.8	269.2	441.2	596.8	610.4
Sept	4,411.5	1,422.2	2,989.3	366.2	169.1	125.1	188.7	229.4	283.9	434.0	619.1	573.9
Dec	4,535.7	1,476.1	3,059.6	373.0	171.9	119.3	186.3	234.5	294.0	447.8	650.3	582.5
1994: Mar	4,575.9	1,476.0	3,099.9	397.4	175.0	119.6	195.0	233.4	278.0	443.4	661.1	597.0
June	4,645.8	1,547.5	3,098.3	383.9	177.1	128.9	193.4	238.1	271.6	425.2	659.9	620.3
Sept	4,692.8	1,562.8	3,130.0	364.0	178.6	135.9	191.9	243.7	265.3	398.2	682.0	670.4
Dec	4,800.2	1,622.6	3,177.6	339.6	180.5	139.4	192.1	240.1	273.0	370.0	667.3	775.6
1995: Mar	4,864.1	1,619.3	3,244.8	352.9	181.4	141.1	203.1	244.2	273.1	350.5	707.0	791.6
June	4,951.4	1,690.1	3,261.3	340.0	182.6	142.0	197.2	245.0	263.9	313.7	762.5	814.6
Sept	4,974.0	1,688.0	3,286.0	330.8	183.5	141.4	193.0	245.2	272.6	304.3	820.4	794.8
Dec	4,988.7	1,681.0	3,307.7	315.4	185.0	142.0	191.7	241.5	286.5	289.8	835.2	820.6
1996: Mar	5,117.8	1,731.1	3,386.7	322.1	185.8	143.7	198.9	239.4	310.4	283.6	908.1	794.7
June	5,161.1	1,806.7	3,354.4	318.7	186.5	143.9	208.2	229.5	306.5	283.3	929.7	748.1
Sept	5,224.8	1,831.6	3,393.2	310.9	186.8	140.5	202.4	226.8	308.4	263.8	993.4	760.2
Dec	5,323.2	1,892.0	3,431.2	296.6	187.0	139.3	203.5	214.1	315.8	257.0	1,102.1	715.8
1997: Mar	5,380.9	1,928.7	3,452.2	317.3	186.5	140.6	203.7	182.2	310.6	250.6	1,157.6	703.1
June	5,376.2	1,998.9	3,377.3	300.2	186.3	141.0	209.3	183.6	305.4	243.3	1,182.7	625.5
Sept	5,413.1	2,011.5	3,401.6	292.8	186.2	141.6	219.7	187.3	311.4	237.7	1,230.5	594.3
Dec	5,502.4	2,087.8	3,414.6	300.3	186.5	142.5	216.9	176.6	321.5	239.3	1,241.6	589.5
1998: Mar	5,542.4	2,104.9	3,437.5	308.2	186.3	142.8	211.9	169.4	325.1	238.1	1,250.5	605.2
June	5,547.9	2,198.6	3,349.3	290.7	186.0	145.2	214.8	160.6	319.4	258.5	1,256.0	518.1
Sept	5,526.2	2,213.0	3,313.2	244.4	186.0	150.6	211.2	151.3	319.7	266.4	1,224.2	559.4
Dec	5,614.2	2,280.2	3,334.0	237.3	186.7	157.8	217.7	144.5	343.2	269.3	1,278.7	498.8
1999: Mar	5,651.6	2,324.1	3,327.5	246.5	186.5	161.2	218.4	140.3	351.7	272.5	1,272.1	478.3
June	5,638.8	2,439.6	3,199.2	240.6	186.5	165.5	222.5	136.3	334.9	279.1	1,258.6	375.2
Sept	5,656.3	2,480.9	3,175.4	239.9	186.3	167.4	217.3	130.6	338.3	271.6	1,281.3	342.7
Dec	5,776.1	2,542.2	3,233.9	246.4	186.4	171.3	213.2	125.3	348.6	266.8	1,268.8	407.1
2000: Mar	5,773.4	2,590.6	3,182.8	235.1	185.3	174.8	211.1	124.0	338.9	257.2	1,273.9	382.5
June	5,685.9	2,698.6	2,987.4	219.7	184.6	175.5	209.0	120.9	318.6	256.4	1,248.9	253.8
Sept	5,674.2	2,737.9	2,936.2	.....	184.7	.....	.....	.....	.....	.....	1,225.2	.....

¹ Face value.

² Federal Reserve holdings exclude Treasury securities held under repurchase agreements.

³ Includes commercial banks, savings institutions, and credit unions.

⁴ Current accrual value.

⁵ Includes U.S. Treasury securities held by the Federal Employees Retirement System Thrift Savings Plan "G Fund."

⁶ Includes money market mutual funds, mutual funds, and closed-end investment companies.

⁷ Includes nonmarketable foreign series Treasury securities and Treasury deposit funds. Excludes Treasury securities held under repurchase agreements in custody accounts at the Federal Reserve Bank of New York.

Estimates reflect the 1984 benchmark to December 1989, the 1989 benchmark to December 1994, and the 1994 benchmark to date.

⁸ Includes individuals, Government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and noncorporate businesses, and other investors.

Source: Department of the Treasury.

CORPORATE PROFITS AND FINANCE

TABLE B-90.—*Corporate profits with inventory valuation and capital consumption adjustments, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation and capital consumption adjustments	Corporate profits tax liability	Corporate profits after tax with inventory valuation and capital consumption adjustments		
			Total	Dividends	Undistributed profits with inventory valuation and capital consumption adjustments
1959	53.7	23.6	30.0	12.6	17.5
1960	52.3	22.7	29.6	13.4	16.3
1961	53.5	22.8	30.7	13.9	16.8
1962	61.6	24.0	37.6	15.0	22.6
1963	67.6	26.2	41.4	16.2	25.2
1964	74.8	28.0	46.8	18.2	28.6
1965	86.0	30.9	55.1	20.2	34.9
1966	92.0	33.7	58.3	20.7	37.6
1967	89.6	32.7	56.9	21.5	35.4
1968	96.5	39.4	57.2	23.5	33.6
1969	93.7	39.7	54.0	24.2	29.8
1970	81.6	34.4	47.3	24.3	23.0
1971	95.1	37.7	57.4	25.0	32.4
1972	109.8	41.9	67.9	26.8	41.1
1973	123.9	49.3	74.7	29.9	44.8
1974	114.5	51.8	62.7	33.2	29.5
1975	133.0	50.9	82.1	33.0	49.1
1976	160.6	64.2	96.4	39.0	57.3
1977	190.9	73.0	117.9	44.8	73.1
1978	217.2	83.5	133.7	50.8	82.9
1979	222.5	88.0	134.5	57.5	77.0
1980	198.5	84.8	113.7	64.1	49.6
1981	219.0	81.1	137.8	73.8	64.1
1982	201.2	63.1	138.2	76.2	61.9
1983	254.1	77.2	176.9	83.6	93.2
1984	309.8	94.0	215.7	91.0	124.7
1985	322.4	96.5	225.9	97.7	128.3
1986	300.7	106.5	194.2	106.3	88.0
1987	346.6	127.1	219.5	112.2	107.3
1988	405.0	137.2	267.9	129.6	138.3
1989	395.7	141.5	254.2	155.0	99.2
1990	408.6	140.6	268.0	165.6	102.4
1991	431.2	133.6	297.7	178.4	119.2
1992	453.1	143.1	309.9	185.5	124.4
1993	510.5	165.4	345.1	203.1	142.0
1994	573.2	186.7	386.5	234.9	151.6
1995	668.8	211.0	457.8	254.2	203.6
1996	754.0	223.6	530.4	297.7	232.7
1997	833.8	237.2	596.6	335.2	261.3
1998	815.0	244.6	570.4	351.5	218.9
1999	856.0	255.9	600.1	370.7	229.4
1995: I	630.0	203.1	427.0	248.6	178.4
II	655.5	208.8	446.7	251.1	195.6
III	692.8	218.7	474.1	252.1	222.0
IV	696.7	213.3	483.4	265.0	218.4
1996: I	736.7	219.7	517.0	286.2	230.8
II	748.6	225.3	523.3	290.7	232.6
III	755.0	224.0	531.1	302.7	228.4
IV	775.8	225.6	550.2	311.3	238.9
1997: I	798.5	227.0	571.5	321.4	250.1
II	825.6	231.8	593.7	331.8	261.9
III	858.3	245.2	613.1	340.6	272.5
IV	852.7	244.8	607.9	347.1	260.8
1998: I	824.5	244.1	580.4	348.8	231.6
II	814.0	245.9	568.2	349.8	218.4
III	818.0	249.0	569.0	351.4	217.6
IV	803.4	239.4	564.1	356.1	208.0
1999: I	852.0	247.8	604.3	361.1	243.1
II	836.8	250.8	585.9	367.2	218.7
III	842.0	254.2	587.9	373.9	214.0
IV	893.2	270.8	622.3	380.6	241.7
2000: I	936.3	286.3	650.0	387.3	262.7
II	963.6	292.0	671.5	393.0	278.5
III	970.3	290.6	679.7	400.1	279.6

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-91.—*Corporate profits by industry, 1959–2000*

[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment											
	Total	Domestic industries										Rest of the world
		Total	Financial ¹			Nonfinancial						
			Total	Federal Reserve banks	Other	Total	Manu- fac- turing ²	Trans- porta- tion and public utilities	Wholesale trade	Retail trade	Other	
1959	53.4	50.7	7.4	0.7	6.6	43.3	26.5	7.1	2.8	3.3	3.6	2.7
1960	51.4	48.2	8.1	.9	7.2	40.1	23.8	7.5	2.5	2.8	3.6	3.1
1961	51.7	48.4	8.1	.8	7.3	40.4	23.3	7.9	2.5	3.0	3.6	3.3
1962	56.9	53.1	8.2	.9	7.4	44.9	26.2	8.5	2.8	3.4	3.9	3.8
1963	62.0	57.9	8.0	1.0	7.1	49.9	29.6	9.5	2.8	3.6	4.4	4.1
1964	68.4	64.0	8.4	1.1	7.2	55.6	32.4	10.2	3.4	4.5	5.1	4.5
1965	78.7	74.0	9.0	1.3	7.6	65.0	39.7	11.0	3.8	4.9	5.7	4.7
1966	84.4	79.8	10.4	1.7	8.7	69.5	42.5	12.0	4.0	4.9	6.2	4.5
1967	81.7	77.0	10.8	2.0	8.9	66.1	39.1	10.9	4.1	5.7	6.5	4.8
1968	88.5	82.9	12.4	2.5	9.9	70.5	41.7	11.0	4.6	6.4	6.9	5.6
1969	85.2	78.6	13.3	3.1	10.3	65.3	37.1	10.7	4.9	6.4	6.3	6.6
1970	74.0	66.9	15.0	3.5	11.4	52.0	27.2	8.3	4.4	6.0	6.1	7.1
1971	87.9	80.0	17.3	3.3	14.0	62.7	34.8	8.9	5.2	7.2	6.7	7.9
1972	100.7	91.2	18.8	3.3	15.4	72.4	41.8	9.5	6.8	7.4	7.2	9.5
1973	114.6	99.7	20.3	4.5	15.8	79.4	46.8	9.1	8.2	6.6	8.7	14.9
1974	108.5	91.1	19.7	5.7	14.0	71.4	41.0	7.6	11.5	2.3	9.0	17.5
1975	134.3	119.6	19.7	5.6	14.1	100.0	54.9	11.0	13.8	8.2	12.1	14.6
1976	164.5	148.0	24.2	5.9	18.3	123.8	71.0	15.3	12.9	10.5	14.2	16.5
1977	193.3	174.2	30.7	6.1	24.6	143.5	78.8	18.6	15.6	12.4	18.2	19.1
1978	221.2	198.4	37.7	7.6	30.0	160.7	89.7	21.8	15.7	12.4	21.1	22.9
1979	229.9	195.3	38.4	9.4	29.0	156.9	88.4	17.0	19.0	10.0	22.6	34.6
1980	209.3	173.8	32.3	11.8	20.5	141.5	76.3	18.4	17.1	6.4	23.3	35.5
1981	216.3	186.6	27.1	14.4	12.7	159.6	88.5	20.4	22.3	10.1	18.2	29.7
1982	188.0	155.2	25.8	15.2	10.6	129.4	63.8	23.1	19.7	13.8	8.9	32.7
1983	223.9	188.5	35.2	14.6	20.6	153.3	72.2	29.6	21.7	19.1	10.8	35.5
1984	262.0	225.1	33.8	16.4	17.3	191.3	87.9	40.1	30.2	21.5	11.6	37.0
1985	255.2	216.8	44.5	16.3	28.2	172.3	81.5	33.9	23.9	22.4	10.7	38.4
1986	250.5	210.7	55.8	15.5	40.3	154.9	54.1	36.0	24.1	23.7	17.0	39.8
1987	298.4	250.4	57.1	15.7	41.4	193.3	83.1	42.0	17.7	23.4	27.1	48.0
1988	359.8	303.1	67.9	17.6	50.3	235.2	116.1	48.4	19.6	20.6	30.4	56.7
1989	360.4	296.1	76.8	20.2	56.7	219.3	105.7	43.5	21.5	21.2	27.4	64.2
1990	388.6	315.9	91.6	21.4	70.2	224.3	109.2	44.4	19.1	21.0	30.6	72.7
1991	421.1	346.7	120.2	20.3	99.9	226.5	93.5	53.2	22.0	27.7	30.0	74.3
1992	448.8	380.1	124.8	17.8	107.0	255.2	93.9	58.5	25.9	33.7	43.2	68.7
1993	506.4	429.6	127.9	16.1	111.7	301.7	108.4	69.6	28.2	39.7	55.9	76.7
1994	561.0	483.7	114.7	17.8	97.0	369.0	139.6	82.9	33.1	46.6	66.8	77.2
1995	650.2	558.2	154.3	22.2	132.1	403.8	166.1	85.8	29.4	44.1	78.5	92.0
1996	729.4	628.6	165.3	21.8	143.5	463.3	181.2	91.4	42.6	52.9	95.2	100.9
1997	800.8	690.2	185.7	23.4	162.3	504.5	195.2	85.0	49.2	63.9	111.2	110.7
1998	775.1	671.6	164.8	24.7	140.1	506.8	177.4	83.9	56.4	76.6	112.6	103.5
1999	813.9	702.5	172.0	25.8	146.2	530.4	181.6	88.4	56.7	81.5	122.3	111.4
1995:I	610.7	522.5	140.9	21.6	119.3	381.5	154.6	84.1	26.2	43.2	73.4	88.2
1995:II	637.1	541.1	154.9	22.6	132.3	386.3	160.2	83.9	24.2	42.6	75.3	96.0
1995:III	673.7	588.0	166.6	22.4	144.1	421.4	173.8	89.1	32.9	44.2	81.5	85.6
1995:IV	679.2	581.0	154.9	22.1	132.8	426.1	175.6	86.1	34.3	46.5	83.7	98.2
1996:I	715.3	616.6	168.6	21.6	147.0	448.0	175.5	88.0	41.6	50.9	92.0	98.7
1996:II	724.7	628.7	170.1	21.7	148.4	458.5	181.6	93.6	37.2	53.0	93.2	96.0
1996:III	729.6	631.1	166.4	21.8	144.6	464.8	181.8	90.4	41.4	54.9	96.3	98.4
1996:IV	748.1	637.8	156.0	22.1	133.9	481.8	185.7	93.6	50.2	52.9	99.4	110.3
1997:I	768.1	663.7	179.4	22.7	156.8	484.3	182.6	84.6	48.1	62.3	106.8	104.4
1997:II	793.3	678.5	184.9	23.2	161.7	493.6	192.7	86.6	47.5	59.9	107.0	114.7
1997:III	824.7	710.2	187.6	23.6	163.9	522.6	207.9	83.8	51.9	65.7	113.3	114.5
1997:IV	817.3	708.2	190.7	24.1	166.6	517.5	197.5	84.9	49.5	67.9	117.6	109.1
1998:I	786.2	676.3	173.7	24.6	149.1	502.6	177.1	85.7	53.2	73.7	112.8	109.9
1998:II	774.4	665.9	168.0	24.6	143.3	497.9	175.1	82.5	57.5	75.5	107.3	108.6
1998:III	777.8	684.3	161.1	24.8	136.3	523.2	184.5	87.6	60.5	77.0	113.6	93.5
1998:IV	762.2	660.2	156.5	24.7	131.8	503.7	172.8	80.0	54.3	80.0	116.6	102.0
1999:I	809.1	701.8	173.2	24.6	148.7	528.6	188.8	83.8	55.2	84.0	116.8	107.3
1999:II	795.6	689.6	160.5	24.9	135.5	529.2	184.8	79.7	58.0	84.8	121.9	106.0
1999:III	799.3	687.4	167.2	25.6	141.5	520.2	179.8	88.6	54.3	75.4	122.1	111.9
1999:IV	851.5	731.0	187.3	28.1	159.1	543.8	173.0	101.4	59.2	81.9	128.3	120.5
2000:I	895.7	766.8	191.9	29.6	162.3	574.9	193.7	101.9	61.2	90.2	127.9	128.9
2000:II	928.8	794.5	188.1	29.7	158.3	606.5	201.8	103.9	69.7	92.4	138.7	134.3
2000:III	940.5	798.4	195.5	30.5	165.0	602.9	192.1	103.1	71.1	91.8	144.9	142.1

¹ Consists of the following industries: Depository institutions; nondepository credit institutions; security and commodity brokers; insurance carriers; regulated investment companies; small business investment companies; and real estate investment trusts.

² See Table B-92 for industry detail.

Note.—The industry classification is on a company basis and is based on the 1987 Standard Industrial Classification (SIC) beginning 1987, and on the 1972 SIC for earlier years shown.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-92.—*Corporate profits of manufacturing industries, 1959–2000*
[Billions of dollars; quarterly data at seasonally adjusted annual rates]

Year or quarter	Corporate profits with inventory valuation adjustment and without capital consumption adjustment												
	Total manufacturing	Durable goods							Nondurable goods				
		Total	Primary metal industries	Fabricated metal products	Industrial machinery and equipment	Electronic and other electric equipment	Motor vehicles and equipment	Other	Total	Food and kindred products	Chemicals and allied products	Petroleum and coal products	Other
1959	26.5	13.7	2.3	1.1	2.2	1.7	3.0	3.5	12.8	2.5	3.5	2.6	4.3
1960	23.8	11.6	2.0	.8	1.8	1.3	3.0	2.7	12.1	2.2	3.1	2.6	4.2
1961	23.3	11.3	1.6	1.0	1.9	1.3	2.5	2.9	12.0	2.4	3.3	2.2	4.2
1962	26.2	14.0	1.6	1.2	2.4	1.5	4.0	3.4	12.2	2.4	3.2	2.2	4.4
1963	29.6	16.4	2.0	1.3	2.6	1.6	4.9	3.9	13.2	2.7	3.7	2.2	4.7
1964	32.4	18.0	2.5	1.5	3.3	1.7	4.6	4.4	14.4	2.7	4.1	2.4	5.3
1965	39.7	23.2	3.1	2.1	4.0	2.7	6.2	5.2	16.5	2.9	4.6	2.9	6.1
1966	42.5	24.0	3.6	2.4	4.6	3.0	5.2	5.2	18.5	3.3	4.9	3.4	6.9
1967	39.1	21.2	2.7	2.5	4.2	3.0	4.0	4.9	17.9	3.3	4.3	3.9	6.4
1968	41.7	22.4	1.9	2.3	4.2	2.9	5.5	5.6	19.3	3.2	5.3	3.7	7.1
1969	37.1	19.1	1.4	2.0	3.7	2.3	4.8	4.9	18.0	3.1	4.6	3.3	7.0
1970	27.2	10.4	.8	1.1	3.0	1.3	1.3	2.9	16.8	3.2	3.9	3.6	6.1
1971	34.8	16.5	.8	1.5	3.0	2.0	5.1	4.1	18.3	3.5	4.5	3.7	6.6
1972	41.5	22.6	1.7	2.2	4.4	2.8	5.9	5.5	19.0	3.0	5.2	3.2	7.6
1973	46.8	25.0	2.3	2.6	4.8	3.2	5.9	6.2	21.8	2.5	6.1	5.2	7.9
1974	41.0	15.2	5.0	1.8	3.3	.5	.7	3.9	25.8	2.6	5.2	10.7	7.2
1975	54.9	20.6	2.8	3.3	5.0	2.6	2.2	4.6	34.3	8.6	6.4	9.9	9.4
1976	71.0	31.3	2.1	3.9	6.9	3.8	7.4	7.3	39.6	7.1	8.2	13.3	11.1
1977	78.8	37.7	1.0	4.5	8.5	5.9	9.3	8.5	41.1	6.8	7.8	12.9	13.6
1978	89.7	45.1	3.6	5.0	10.5	6.7	9.0	10.4	44.6	6.1	8.2	15.5	14.7
1979	88.4	36.6	3.5	5.2	9.2	5.5	4.6	8.5	51.8	5.8	7.1	24.5	14.5
1980	76.3	18.3	2.6	4.4	7.7	5.2	-4.3	2.7	57.9	6.0	5.5	33.6	12.9
1981	88.5	18.9	3.1	4.5	8.6	5.1	.4	-2.7	69.6	9.0	7.7	38.6	14.3
1982	63.8	3.8	-4.8	2.7	2.6	1.6	-2	1.9	60.0	7.2	4.7	33.4	14.7
1983	72.2	17.8	-5.0	3.1	3.1	3.4	5.1	8.1	54.3	6.1	7.0	22.4	18.9
1984	87.9	37.7	-5	4.6	5.1	5.1	8.9	14.4	50.2	6.6	7.7	16.1	19.8
1985	81.5	28.8	-1.0	4.8	4.9	2.6	7.3	10.1	52.7	8.6	6.2	17.4	20.5
1986	54.1	24.5	.7	5.1	-3	2.5	4.4	12.0	29.6	7.3	7.1	-5.8	21.1
1987	83.1	39.3	2.5	5.4	4.5	5.6	3.7	17.6	43.8	11.2	13.9	-2.6	21.3
1988	116.1	51.0	6.0	6.4	9.6	7.3	5.7	16.1	65.1	11.8	18.2	11.9	23.2
1989	105.7	48.3	6.2	6.3	10.7	9.0	2.2	13.8	57.4	10.8	17.6	5.4	23.6
1990	109.2	41.6	3.4	6.0	10.5	8.4	-2.2	15.6	67.6	14.2	16.3	15.4	21.8
1991	93.5	32.1	1.4	5.2	4.2	9.7	-5.4	16.9	61.5	18.0	15.6	6.3	21.6
1992	93.9	37.6	-2	6.1	5.9	10.1	-1.2	17.0	56.3	17.9	15.4	-2.0	24.9
1993	108.4	51.8	.2	7.3	5.6	14.9	5.2	18.7	56.6	16.0	15.3	1.6	23.8
1994	139.6	70.6	2.1	10.9	7.6	22.5	7.3	20.2	69.0	19.5	22.2	-1	27.5
1995	166.1	77.6	6.9	11.8	12.9	21.4	-3	24.9	88.5	26.7	26.7	5.5	29.5
1996	181.2	87.0	5.4	14.4	15.0	20.2	3.7	28.4	94.2	21.6	25.5	13.3	33.7
1997	195.2	94.0	5.8	16.3	13.8	22.8	4.0	31.2	101.2	24.1	31.3	15.9	29.9
1998	177.4	85.4	6.5	17.2	17.6	10.6	4.4	29.1	92.0	22.7	30.4	7.4	31.4
1999	181.6	92.2	2.6	18.3	22.8	12.3	6.9	29.4	89.4	21.9	29.9	5.4	32.2
1995:I	154.6	77.1	6.5	11.6	11.8	22.2	2.0	23.1	77.5	24.2	23.8	.9	28.5
II	160.2	73.6	7.8	12.2	11.7	19.6	-1.9	24.2	86.6	27.1	27.2	4.9	27.4
III	173.8	78.7	6.5	11.4	13.5	21.8	-1	25.5	95.1	27.8	28.6	9.4	29.3
IV	175.6	80.8	6.7	11.8	14.6	21.9	-1.1	27.0	94.9	27.7	27.3	7.0	32.9
1996:I	175.5	81.7	5.4	13.8	17.9	17.3	.7	26.6	93.8	22.8	27.0	8.8	35.2
II	181.6	89.3	4.9	12.9	15.4	20.5	6.0	29.5	92.4	18.9	26.9	13.1	33.4
III	181.8	88.1	6.0	15.2	13.5	20.0	6.9	26.4	93.7	20.3	24.7	14.7	34.0
IV	185.7	88.8	5.1	15.7	13.0	22.8	1.1	31.0	96.9	24.6	23.5	16.7	32.2
1997:I	182.6	86.8	4.7	15.7	10.7	22.0	3.6	30.2	95.8	22.1	28.1	16.7	28.9
II	192.7	93.1	5.6	15.6	13.7	22.8	2.2	33.2	99.6	23.3	30.9	15.0	30.4
III	207.9	105.3	6.7	17.1	15.9	25.4	7.6	32.7	102.6	23.2	33.5	15.6	30.3
IV	197.5	90.8	6.2	16.9	15.0	21.0	2.8	28.9	106.7	27.7	32.7	16.3	30.1
1998:I	177.1	79.2	7.2	14.4	11.5	12.6	4.8	28.7	97.9	23.5	32.3	10.7	31.4
II	175.1	79.7	6.2	16.3	17.2	9.9	2.1	27.9	95.4	24.5	27.0	10.8	33.2
III	184.5	88.0	6.0	20.3	19.4	8.7	3.3	30.3	96.4	28.3	29.8	6.3	32.0
IV	172.8	94.6	6.4	17.7	22.3	11.0	7.5	29.7	78.2	14.6	32.4	2.0	29.1
1999:I	188.8	92.3	3.3	19.8	20.6	11.0	8.3	29.3	96.5	22.7	36.3	3.9	33.6
II	184.8	94.0	2.9	18.5	23.0	10.6	8.0	31.0	90.8	25.5	31.4	3.3	30.7
III	179.8	90.0	2.0	18.0	22.9	13.3	5.5	28.3	89.9	25.3	26.9	7.2	30.5
IV	173.0	92.6	2.2	16.7	24.5	14.3	5.7	29.2	80.4	14.1	25.3	7.1	34.0
2000:I	193.7	94.7	4.8	18.5	20.8	16.1	6.2	28.3	99.0	21.0	32.7	10.4	34.8
II	201.8	97.2	5.1	18.0	21.2	16.4	6.1	30.3	104.6	20.3	37.9	15.4	30.9
III	192.1	92.4	3.6	16.9	24.2	13.0	4.6	30.1	99.7	21.5	35.2	15.2	27.8

Note.—The industry classification is on a company basis and is based on the 1987 Standard Industrial Classification (SIC) beginning 1987 and on the 1972 SIC for earlier years shown. In the 1972 SIC, the categories shown here as "industrial machinery and equipment" and "electronic and other electric equipment" were identified as "machinery, except electrical" and "electric and electronic equipment," respectively.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-93.—*Sales, profits, and stockholders' equity, all manufacturing corporations, 1954–2000*
[Billions of dollars]

Year or quarter	All manufacturing corporations				Durable goods industries				Nondurable goods industries			
	Sales (net)	Profits		Stockholders' equity ²	Sales (net)	Profits		Stockholders' equity ²	Sales (net)	Profits		Stockholders' equity ²
		Before income taxes ¹	After income taxes			Before income taxes ¹	After income taxes			Before income taxes ¹	After income taxes	
1954	248.5	20.9	11.2	113.1	122.8	11.4	5.6	54.9	125.7	9.6	5.6	58.2
1955	278.4	28.6	15.1	120.1	142.1	16.5	8.1	58.8	136.3	12.1	7.0	61.3
1956	307.3	29.8	16.2	131.6	159.5	16.5	8.3	65.2	147.8	13.2	7.8	66.4
1957	320.0	28.2	15.4	141.1	166.0	15.8	7.9	70.5	154.1	12.4	7.5	70.6
1958	305.3	22.7	12.7	147.4	148.6	11.4	5.8	72.8	156.7	11.3	6.9	74.6
1959	338.0	29.7	16.3	157.1	169.4	15.8	8.1	77.9	168.5	13.9	8.3	79.2
1960	345.7	27.5	15.2	165.4	173.9	14.0	7.0	82.3	171.8	13.5	8.2	83.1
1961	356.4	27.5	15.3	172.6	175.2	13.6	6.9	84.9	181.2	13.9	8.5	87.7
1962	389.4	31.9	17.7	181.4	195.3	16.8	8.6	89.1	194.1	15.1	9.2	92.3
1963	412.7	34.9	19.5	189.7	209.0	18.5	9.5	93.3	203.6	16.4	10.0	96.3
1964	443.1	39.6	23.2	199.8	226.3	21.2	11.6	98.5	216.8	18.3	11.6	101.3
1965	492.2	46.5	27.5	211.7	257.0	26.2	14.5	105.4	235.2	20.3	13.0	106.3
1966	554.2	51.8	30.9	230.3	291.7	29.2	16.4	115.2	262.4	22.6	14.6	115.1
1967	575.4	47.8	29.0	247.6	300.6	25.7	14.6	125.0	274.8	22.0	14.4	122.6
1968	631.9	55.4	32.1	265.9	335.5	30.6	16.5	135.6	296.4	24.8	15.5	130.3
1969	694.6	58.1	33.2	289.9	366.5	31.5	16.9	147.6	328.1	26.6	16.4	142.3
1970	708.8	48.1	28.6	306.8	363.1	23.0	12.9	155.1	345.7	25.2	15.7	151.7
1971	751.1	52.9	31.0	320.8	381.8	26.5	14.5	160.4	369.3	26.5	16.5	160.5
1972	849.5	63.2	36.5	343.4	435.8	33.6	18.4	171.4	413.7	29.6	18.0	172.0
1973	1,017.2	81.4	48.1	374.1	527.3	43.6	24.8	188.7	489.9	37.8	23.3	185.4
1973: IV	275.1	21.4	13.0	386.4	140.1	10.8	6.3	194.7	135.0	10.6	6.7	191.7
New series:												
1973: IV	236.6	20.6	13.2	368.0	122.7	10.1	6.2	185.8	113.9	10.5	7.0	182.1
1974	1,060.6	92.1	58.7	395.0	529.0	41.1	24.7	196.0	531.6	51.0	34.1	199.0
1975	1,065.2	79.9	49.1	423.4	521.1	35.3	21.4	208.1	544.1	44.6	27.7	215.3
1976	1,203.2	104.9	64.5	462.7	589.6	50.7	30.8	224.3	613.7	54.3	33.7	238.4
1977	1,328.1	115.1	70.4	496.7	657.3	57.9	34.8	239.9	670.8	57.2	35.5	256.8
1978	1,496.4	132.5	81.1	540.5	760.7	69.6	41.8	262.6	735.7	62.9	39.3	277.9
1979	1,741.8	154.2	98.7	600.5	865.7	72.4	45.2	292.5	876.1	81.8	53.5	308.0
1980	1,912.8	145.8	92.6	668.1	889.1	57.4	35.6	317.7	1,023.7	88.4	56.9	350.4
1981	2,144.7	158.6	101.3	743.4	979.5	67.2	41.6	350.4	1,165.2	91.3	59.6	393.0
1982	2,039.4	108.2	70.9	770.2	913.1	34.7	21.7	355.5	1,126.4	73.6	49.3	414.7
1983	2,114.3	133.1	85.8	812.8	973.5	48.7	30.0	372.4	1,140.8	84.4	55.8	440.4
1984	2,335.0	165.6	107.6	864.2	1,107.6	75.5	48.9	395.6	1,227.5	90.0	58.8	468.5
1985	2,331.4	137.0	87.6	866.2	1,142.6	61.5	38.6	420.9	1,188.8	75.6	49.1	445.3
1986	2,220.9	129.3	83.1	874.7	1,125.5	52.1	32.6	436.3	1,095.4	77.2	50.5	438.4
1987	2,378.2	173.0	115.6	900.9	1,178.0	78.0	53.0	444.3	1,200.3	95.1	62.6	456.6
1988 ³	2,596.2	215.3	153.8	957.6	1,284.7	91.6	66.9	468.7	1,311.5	123.7	86.8	488.9
1989	2,745.1	187.6	135.1	999.0	1,356.6	75.1	55.5	501.3	1,388.5	112.6	79.6	497.7
1990	2,810.7	158.1	110.1	1,043.8	1,357.2	57.3	40.7	515.0	1,453.5	100.8	69.4	528.9
1991	2,761.1	98.7	66.4	1,064.1	1,304.0	13.9	7.2	506.8	1,457.1	84.8	59.3	557.4
1992 ⁴	2,890.2	31.4	22.1	1,034.7	1,389.8	-33.7	-24.0	473.9	1,500.4	65.1	46.0	560.8
1993	3,015.1	117.9	83.2	1,039.7	1,490.2	38.9	27.4	482.7	1,524.9	79.0	55.7	557.1
1994	3,255.8	243.5	174.9	1,110.1	1,657.6	121.0	87.1	533.3	1,598.2	122.5	87.8	576.8
1995	3,528.3	274.5	198.2	1,240.6	1,807.7	130.6	94.3	613.7	1,720.6	143.9	103.9	627.0
1996	3,757.6	306.6	224.9	1,348.0	1,941.6	146.6	106.1	673.9	1,816.0	160.0	118.8	674.2
1997	3,920.0	331.4	244.5	1,462.7	2,075.8	167.0	121.4	743.4	1,844.2	164.4	123.1	719.3
1998	3,949.4	314.7	234.4	1,482.9	2,168.8	175.1	127.8	779.9	1,780.7	139.6	106.5	703.0
1999	4,150.3	355.9	258.3	1,570.1	2,315.2	198.9	140.4	869.8	1,835.1	157.0	117.9	700.2
1998: I	958.9	96.8	74.7	1,495.2	522.1	56.3	44.8	766.7	436.9	40.5	29.9	728.5
II	997.9	76.5	54.7	1,469.7	547.4	37.2	25.8	774.7	450.5	39.4	29.0	695.1
III	986.3	82.4	61.2	1,479.2	537.4	39.5	28.1	784.2	448.9	42.9	33.1	694.9
IV	1,006.4	59.0	43.8	1,487.5	562.0	42.2	29.1	793.8	444.4	16.8	14.6	693.6
1999: I	972.7	81.8	59.9	1,509.5	542.1	47.4	33.4	815.1	430.5	34.3	26.5	694.4
II	1,045.0	96.2	69.8	1,537.9	586.0	55.5	39.9	848.0	459.0	40.7	30.0	689.8
III	1,049.1	90.9	66.4	1,592.7	582.5	47.3	33.2	887.0	466.6	43.6	33.2	705.7
IV	1,083.6	87.0	62.2	1,640.2	604.6	48.6	34.0	929.2	479.0	38.4	28.2	711.0
2000: I	1,080.1	104.8	77.8	1,724.1	597.1	55.3	40.1	995.4	483.0	49.6	37.7	728.7
II	1,141.6	109.1	79.1	1,818.5	627.7	56.3	38.9	1,047.2	513.9	52.8	40.2	771.3
III	1,137.5	100.1	72.5	1,848.7	612.2	49.3	34.3	1,066.5	525.2	50.8	38.2	782.1

¹ In the old series, "income taxes" refers to Federal income taxes only, as State and local income taxes had already been deducted. In the new series, no income taxes have been deducted.

² Annual data are average equity for the year (using four end-of-quarter figures).

³ Beginning 1988, profits before and after income taxes reflect inclusion of minority stockholders' interest in net income before and after income taxes.

⁴ Data for 1992 (most significantly 1992:I) reflect the early adoption of Financial Accounting Standards Board Statement 106 (Employer's Accounting for Post-Retirement Benefits Other Than Pensions) by a large number of companies during the fourth quarter of 1992. Data for 1993:I also reflect adoption of Statement 106. Corporations must show the cumulative effect of a change in accounting principle in the first quarter of the year in which the change is adopted.

Note.—Data are not necessarily comparable from one period to another due to changes in accounting principles, industry classifications, sampling procedures, etc. For explanatory notes concerning compilation of the series, see "Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations," Department of Commerce, Bureau of the Census.

Source: Department of Commerce, Bureau of the Census.

TABLE B-94.—*Relation of profits after taxes to stockholders' equity and to sales, all manufacturing corporations, 1947–2000*

Year or quarter	Ratio of profits after income taxes (annual rate) to stockholders' equity—percent ¹			Profits after income taxes per dollar of sales—cents		
	All manufacturing corporations	Durable goods industries	Nondurable goods industries	All manufacturing corporations	Durable goods industries	Nondurable goods industries
1947	15.6	14.4	16.6	6.7	6.7	6.7
1948	16.0	15.7	16.2	7.0	7.1	6.8
1949	11.6	12.1	11.2	5.8	6.4	5.4
1950	15.4	16.9	14.1	7.1	7.7	6.5
1951	12.1	13.0	11.2	4.9	5.3	4.5
1952	10.3	11.1	9.7	4.3	4.5	4.1
1953	10.5	11.1	9.9	4.3	4.2	4.3
1954	9.9	10.3	9.6	4.5	4.6	4.4
1955	12.6	13.8	11.4	5.4	5.7	5.1
1956	12.3	12.8	11.8	5.3	5.2	5.3
1957	10.9	11.3	10.6	4.8	4.8	4.9
1958	8.6	8.0	9.2	4.2	3.9	4.4
1959	10.4	10.4	10.4	4.8	4.8	4.9
1960	9.2	8.5	9.8	4.4	4.0	4.8
1961	8.9	8.1	9.6	4.3	3.9	4.7
1962	9.8	9.6	9.9	4.5	4.4	4.7
1963	10.3	10.1	10.4	4.7	4.5	4.9
1964	11.6	11.7	11.5	5.2	5.1	5.4
1965	13.0	13.8	12.2	5.6	5.7	5.5
1966	13.4	14.2	12.7	5.6	5.6	5.6
1967	11.7	11.7	11.8	5.0	4.8	5.3
1968	12.1	12.2	11.9	5.1	4.9	5.2
1969	11.5	11.4	11.5	4.8	4.6	5.0
1970	9.3	8.3	10.3	4.0	3.5	4.5
1971	9.7	9.0	10.3	4.1	3.8	4.5
1972	10.6	10.8	10.5	4.3	4.2	4.4
1973	12.8	13.1	12.6	4.7	4.7	4.8
1973: IV	13.4	12.9	14.0	4.7	4.5	5.0
New series:						
1973: IV	14.3	13.3	15.3	5.6	5.0	6.1
1974	14.9	12.6	17.1	5.5	4.7	6.4
1975	11.6	10.3	12.9	4.6	4.1	5.1
1976	13.9	13.7	14.2	5.4	5.2	5.5
1977	14.2	14.5	13.8	5.3	5.3	5.3
1978	15.0	16.0	14.2	5.4	5.5	5.3
1979	16.4	15.4	17.4	5.7	5.2	6.1
1980	13.9	11.2	16.3	4.8	4.0	5.6
1981	13.6	11.9	15.2	4.7	4.2	5.1
1982	9.2	6.1	11.9	3.5	2.4	4.4
1983	10.6	8.1	12.7	4.1	3.1	4.9
1984	12.5	12.4	12.5	4.6	4.4	4.8
1985	10.1	9.2	11.0	3.8	3.4	4.1
1986	9.5	7.5	11.5	3.7	2.9	4.6
1987	12.8	11.9	13.7	4.9	4.5	5.2
1988 ²	16.1	14.3	17.8	5.9	5.2	6.6
1989	13.5	11.1	16.0	4.9	4.1	5.7
1990	10.6	7.9	13.1	3.9	3.0	4.8
1991	6.2	1.4	10.6	2.4	.5	4.1
1992 ³	2.1	-5.1	8.2	.8	-1.7	3.1
1993	8.0	5.7	10.0	2.8	1.8	3.7
1994	15.8	16.3	15.2	5.4	5.3	5.5
1995	16.0	15.4	16.6	5.6	5.2	6.0
1996	16.7	15.7	17.6	6.0	5.5	6.5
1997	16.7	16.3	17.1	6.2	5.8	6.7
1998	15.8	16.4	15.2	5.9	5.9	6.0
1999	16.5	16.1	16.8	6.2	6.1	6.4
1998: I	20.0	23.4	16.4	7.8	8.6	6.8
II	14.9	13.3	16.7	5.5	4.7	6.4
III	16.5	14.3	19.0	6.2	5.2	7.4
IV	11.8	14.7	8.4	4.4	5.2	3.3
1999: I	15.9	16.4	15.3	6.2	6.2	6.2
II	18.2	18.8	17.4	6.7	6.8	6.5
III	16.7	15.0	18.8	6.3	5.7	7.1
IV	15.2	14.6	15.9	5.7	5.6	5.9
2000: I	18.0	16.1	20.7	7.2	6.7	7.8
II	17.4	14.8	20.9	6.9	6.2	7.8
III	15.7	12.9	19.5	6.4	5.6	7.3

¹ Annual ratios based on average equity for the year (using four end-of-quarter figures). Quarterly ratios based on equity at end of quarter.

² See footnote 3, Table B-93.

³ See footnote 4, Table B-93.

Note.—Based on data in millions of dollars.

See Note, Table B-93.

Source: Department of Commerce, Bureau of the Census.

TABLE B-95.—Common stock prices and yields, 1959–2000

Year or month	Common stock prices ¹							Common stock yields (S&P) (percent) ⁴		
	New York Stock Exchange indexes (Dec. 31, 1965=50) ²					Dow Jones in- dustrial average ²	Standard & Poor's composite index (1941- 43=10) ²	Nasdaq com- posite index (Feb. 5 1971= 100) ²	Dividend- price ratio ⁵	Earnings- price ratio ⁶
	Com- posite	Indus- trial	Transpor- tation	Utility ³	Finance					
1959	30.73	.....	.....	.....	.....	632.12	57.38	.....	3.23	5.78
1960	30.01	.....	.....	.....	.....	618.04	55.85	.....	3.47	5.90
1961	35.37	.....	.....	.....	.....	691.55	66.27	.....	2.98	4.62
1962	33.49	.....	.....	.....	.....	639.76	62.38	.....	3.37	5.82
1963	37.51	.....	.....	.....	.....	714.81	69.87	.....	3.17	5.50
1964	43.76	.....	.....	.....	.....	834.05	81.37	.....	3.01	5.32
1965	47.39	.....	.....	.....	.....	910.88	88.17	.....	3.00	5.59
1966	46.15	46.18	50.26	90.81	44.45	873.60	85.26	.....	3.40	6.63
1967	50.77	51.97	53.51	90.86	49.82	879.12	91.93	.....	3.20	5.73
1968	55.37	58.00	50.58	88.38	65.85	906.00	98.70	.....	3.07	5.67
1969	54.67	57.44	46.96	85.60	70.49	876.72	97.84	.....	3.24	6.08
1970	45.72	48.03	32.14	74.47	60.00	753.19	83.22	.....	3.83	6.45
1971	54.22	57.92	44.35	79.05	70.38	884.76	98.29	107.44	3.14	5.41
1972	60.29	65.73	50.17	76.95	78.35	950.71	109.20	128.52	2.84	5.50
1973	57.42	63.08	37.74	75.38	70.12	923.88	107.43	109.90	3.06	7.12
1974	43.84	48.08	31.89	59.58	49.67	759.37	82.85	76.29	4.47	11.59
1975	45.73	50.52	31.10	63.00	47.14	802.49	86.16	77.20	4.31	9.15
1976	54.46	60.44	39.57	73.94	52.94	974.92	102.01	89.90	3.77	8.90
1977	53.69	57.86	41.09	81.84	55.25	894.63	98.20	98.71	4.62	10.79
1978	53.70	58.23	43.50	78.44	56.65	820.23	96.02	117.53	5.28	12.03
1979	58.32	64.76	47.34	76.41	61.42	844.40	103.01	136.57	5.47	13.46
1980	68.10	78.70	60.61	74.69	64.25	891.41	118.78	168.61	5.26	12.66
1981	74.02	85.44	72.61	77.81	73.52	932.92	128.05	203.18	5.20	11.60
1982	68.93	78.18	60.41	79.49	71.99	884.36	119.71	188.97	5.81	11.96
1983	92.63	107.45	89.36	93.99	95.34	1,190.34	160.41	285.43	4.40	8.03
1984	92.46	108.01	85.63	92.89	89.28	1,178.48	160.46	248.88	4.64	10.02
1985	108.09	123.79	104.11	113.49	114.21	1,328.23	186.84	290.19	4.25	8.12
1986	136.00	155.85	119.87	142.72	147.20	1,792.76	236.34	366.96	3.49	6.09
1987	161.70	195.31	140.39	148.59	146.48	2,275.99	286.83	402.57	3.08	5.48
1988	149.91	180.95	134.12	143.53	127.26	2,060.82	265.79	374.43	3.64	8.01
1989	180.02	216.23	175.28	174.87	151.88	2,508.91	322.84	437.81	3.45	7.42
1990	183.46	225.78	158.62	181.20	133.26	2,678.94	334.59	409.17	3.61	6.47
1991	206.33	258.14	173.99	185.32	150.82	2,929.33	376.18	491.69	3.24	4.79
1992	229.01	284.62	201.09	198.91	179.26	3,284.29	415.74	599.26	2.99	4.22
1993	249.58	299.99	242.49	228.90	216.42	3,522.06	451.41	715.16	2.78	4.46
1994	254.12	315.25	247.29	209.06	209.73	3,793.77	460.42	751.65	2.82	5.83
1995	291.15	367.34	269.41	220.30	238.45	4,493.76	541.72	925.19	2.56	6.09
1996	358.17	453.98	327.33	249.77	303.89	5,742.89	670.50	1,164.96	2.19	5.24
1997	456.54	574.52	414.60	283.82	424.48	7,441.15	873.43	1,469.49	1.77	4.57
1998	550.26	681.57	468.69	378.12	516.35	8,625.52	1,085.50	1,794.91	1.49	3.46
1999	619.16	774.78	491.60	473.73	530.86	10,464.88	1,327.33	2,728.15	1.25	3.17
1999: Jan	595.43	741.43	479.72	449.50	523.38	9,345.86	1,248.77	2,357.80	1.30	.....
Feb	588.70	736.20	477.47	436.49	514.75	9,322.94	1,246.58	2,356.99	1.32	.....
Mar	603.69	751.93	491.25	436.23	544.08	9,753.63	1,281.66	2,391.14	1.30	2.98
Apr	627.75	780.84	523.08	456.96	564.99	10,443.50	1,334.76	2,537.89	1.24	.....
May	635.62	791.72	537.88	470.40	562.66	10,853.87	1,332.07	2,512.60	1.24	.....
June	629.53	783.96	520.66	482.71	546.43	10,704.02	1,322.55	2,520.96	1.25	2.99
July	648.83	809.33	528.72	501.00	557.92	11,052.22	1,380.99	2,741.26	1.20	.....
Aug	621.03	778.82	492.13	483.68	521.59	10,935.47	1,327.49	2,642.45	1.25	.....
Sept	607.87	769.47	462.33	475.42	493.37	10,714.03	1,318.17	2,807.95	1.27	3.43
Oct	599.04	753.94	450.13	478.19	490.92	10,396.88	1,300.01	2,815.28	1.28	.....
Nov	634.22	791.41	474.78	502.59	539.20	10,809.80	1,391.00	3,230.55	1.21	.....
Dec	638.17	808.28	461.04	511.64	510.99	11,246.36	1,428.68	3,739.88	1.18	3.28
2000: Jan	634.07	814.73	456.36	485.82	495.23	11,281.26	1,425.59	4,013.49	1.18	.....
Feb	606.03	775.46	398.69	482.30	471.65	10,541.93	1,388.87	4,410.87	1.21	.....
Mar	622.28	790.35	384.39	509.59	489.90	10,483.39	1,442.21	4,802.99	1.18	3.40
Apr	646.82	822.76	406.14	502.78	524.05	10,944.31	1,461.36	3,863.64	1.14	.....
May	640.07	814.75	411.50	487.17	523.22	10,580.27	1,418.48	3,528.42	1.17	.....
June	649.61	819.54	395.09	501.93	544.51	10,582.93	1,461.96	3,865.48	1.12	3.57
July	653.27	825.28	410.67	484.19	556.32	10,662.95	1,473.00	4,017.69	1.10	.....
Aug	666.14	837.23	419.84	459.91	597.17	11,014.51	1,485.46	3,909.60	1.09	.....
Sept	667.05	829.99	404.23	464.66	616.89	10,967.87	1,468.05	3,875.82	1.10	3.74
Oct	646.53	803.88	401.37	453.68	596.53	10,440.96	1,390.14	3,333.82	1.15	.....
Nov	646.64	800.88	434.92	455.66	600.45	10,666.06	1,375.04	3,055.42	1.16	.....

¹ Averages of daily closing prices, except NYSE data through May 1964 are averages of weekly closing prices.² Includes stocks as follows: for NYSE, all stocks listed (more than 3,500); for Dow Jones industrial average, 30 stocks; for S&P composite index, 500 stocks; and for Nasdaq composite index, over 5,000.³ Effective April 1993, the NYSE doubled the value of the utility index to facilitate trading of options and futures on the index. Annual indexes prior to 1993 reflect the doubling.⁴ Based on 500 stocks in the S&P composite index.⁵ Aggregate cash dividends (based on latest known annual rate) divided by aggregate market value based on Wednesday closing prices. Monthly data are averages of weekly figures; annual data are averages of monthly figures.⁶ Quarterly data are ratio of earnings (after taxes) for 4 quarters ending with particular quarter to price index for last day of that quarter. Annual data are averages of quarterly ratios.

Sources: New York Stock Exchange (NYSE), Dow Jones & Co., Inc., Standard & Poor's (S&P), and the National Association of Securities Dealers, Inc.

TABLE B-96.—*Business formation and business failures, 1955–98*

Year or month	Index of net business formation (1967=100)	New business incorporations (number)	Business failures ¹						
			Business failure rate ²	Number of failures			Amount of current liabilities (millions of dollars)		
				Total	Liability size class		Total	Liability size class	
					Under \$100,000	\$100,000 and over		Under \$100,000	\$100,000 and over
1955	96.6	139,915	42	10,969	10,113	856	449.4	206.4	243.0
1956	94.6	141,163	48	12,686	11,615	1,071	562.7	239.8	322.9
1957	90.3	137,112	52	13,739	12,547	1,192	615.3	267.1	348.2
1958	90.2	150,781	56	14,964	13,499	1,465	728.3	297.6	430.7
1959	97.9	193,067	52	14,053	12,707	1,346	692.8	278.9	413.9
1960	94.5	182,713	57	15,445	13,650	1,795	938.6	327.2	611.4
1961	90.8	181,535	64	17,075	15,006	2,069	1,090.1	370.1	720.0
1962	92.6	182,057	61	15,782	13,772	2,010	1,213.6	346.5	867.1
1963	94.4	186,404	56	14,374	12,192	2,182	1,352.6	321.0	1,031.6
1964	98.2	197,724	53	13,501	11,346	2,155	1,329.2	313.6	1,015.6
1965	99.8	203,897	53	13,514	11,340	2,174	1,321.7	321.7	1,000.0
1966	99.3	200,010	52	13,061	10,833	2,228	1,385.7	321.5	1,064.1
1967	100.0	206,569	49	12,364	10,144	2,220	1,265.2	297.9	967.3
1968	108.3	233,635	39	9,636	7,829	1,807	941.0	241.1	699.9
1969	115.8	274,267	37	9,154	7,192	1,962	1,142.1	231.3	910.8
1970	108.8	264,209	44	10,748	8,019	2,729	1,887.8	269.3	1,618.4
1971	111.1	287,577	42	10,326	7,611	2,715	1,916.9	271.3	1,645.6
1972	119.3	316,601	38	9,566	7,040	2,526	2,000.2	258.8	1,741.5
1973	119.1	329,358	36	9,345	6,627	2,718	2,298.6	235.6	2,063.0
1974	113.2	319,149	38	9,915	6,733	3,182	3,053.1	256.9	2,796.3
1975	109.9	326,345	43	11,432	7,504	3,928	4,380.2	298.6	4,081.6
1976	120.4	375,766	35	9,628	6,176	3,452	3,011.3	257.8	2,753.4
1977	130.8	436,170	28	7,919	4,861	3,058	3,095.3	208.3	2,887.0
1978	138.1	478,019	24	6,619	3,712	2,907	2,656.0	164.7	2,491.3
1979	138.3	524,565	28	7,564	3,930	3,634	2,667.4	179.9	2,487.5
1980	129.9	533,520	42	11,742	5,682	6,060	4,635.1	272.5	4,362.6
1981	124.8	581,242	61	16,794	8,233	8,561	6,955.2	405.8	6,549.3
1982	116.4	566,942	88	24,908	11,509	13,399	15,610.8	541.7	15,069.1
1983	117.5	600,420	110	31,334	15,572	15,762	16,072.9	635.1	15,437.8
1984	121.3	634,991	107	52,078	33,527	18,551	29,268.6	409.8	28,858.8
1985	120.9	664,235	115	57,253	36,551	20,702	36,937.4	423.9	36,513.5
1986	120.4	702,738	120	61,616	38,908	22,708	44,724.0	838.3	43,885.7
1987	121.2	685,572	102	61,111	38,949	22,162	34,723.8	746.0	33,977.8
1988	124.1	685,095	98	57,097	38,300	18,797	39,573.0	686.9	38,886.1
1989	124.8	676,565	65	50,361	33,312	17,049	42,328.8	670.5	41,658.2
1990	120.7	647,366	74	60,747	40,833	19,914	56,130.1	735.6	55,394.5
1991	115.2	628,604	107	88,140	60,617	27,523	96,825.3	1,044.9	95,780.4
1992	116.3	666,800	110	97,069	68,264	28,805	94,317.5	1,096.7	93,220.8
1993	121.1	706,537	109	86,133	61,188	24,945	47,755.5	947.6	46,807.9
1994	125.5	741,778	86	71,558	50,814	20,744	28,977.9	845.0	28,132.9
1995	(3)	766,988	82	71,128	49,495	21,633	37,283.6	866.1	36,417.4
1996	(3)	786,482	80	71,931	49,667	22,264	29,568.7	914.9	28,653.8
1997	(3)	798,779	88	83,384	56,050	27,334	37,436.9	1,111.3	36,325.6
Seasonally adjusted									
1997: Jan	(3)	72,992	.....	7,359	4,956	2,403	3,526.2	92.1	3,434.2
Feb	(3)	69,265	.....	6,793	4,532	2,261	1,220.9	88.2	1,132.7
Mar	(3)	63,587	.....	7,435	4,933	2,502	1,405.5	99.4	1,306.2
Apr	(3)	67,587	.....	7,645	5,074	2,571	2,782.8	108.4	2,674.4
May	(3)	65,354	.....	7,181	4,824	2,357	1,574.0	97.2	1,476.8
June	(3)	62,756	.....	6,890	4,684	2,206	1,225.4	94.5	1,130.8
July	(3)	72,707	.....	7,265	4,843	2,422	3,180.0	98.3	3,081.7
Aug	(3)	60,465	.....	6,825	4,690	2,135	1,822.2	86.4	1,735.8
Sept	(3)	66,819	.....	7,146	4,785	2,361	3,292.9	94.1	3,198.7
Oct	(3)	69,945	.....	7,426	5,071	2,355	1,406.7	99.2	1,307.5
Nov	(3)	58,154	.....	6,000	4,013	1,987	1,685.7	80.9	1,604.9
Dec	(3)	69,041	.....	5,231	3,563	1,668	1,817.8	72.5	1,745.3
1998: Jan	(3)	66,415	.....	6,229	4,574	1,655	2,985.4	65.3	2,920.0
Feb	(3)	66,178	.....	5,847	4,624	1,223	2,472.8	47.8	2,425.0
Mar	(3)	63,408	.....	6,345	4,817	1,528	1,033.0	60.1	972.9
Apr	(3)	64,585	.....	6,560	4,286	2,274	1,114.6	87.4	1,027.2
May	(3)	59,452	.....	5,904	3,962	1,942	1,392.4	83.7	1,308.7
June	(3)	63,983	.....	6,281	4,151	2,130	1,311.2	85.9	1,225.3
July	(3)	70,724	.....	6,575	4,378	2,197	2,535.4	89.7	2,445.8
Aug	(3)	58,827	.....	5,810	3,944	1,866	1,613.3	76.8	1,536.5
Sept	(3)	61,446	.....	5,682	3,715	1,967	2,578.6	81.1	2,497.4
Oct	(3)	.....	.....	6,501	4,245	2,256	3,373.0	95.4	3,277.6
Nov	(3)	.....	.....	5,171	3,379	1,792	1,410.6	75.8	1,334.8

¹ Commercial and industrial failures only through 1983, excluding failures of banks, railroads, real estate, insurance, holding, and financial companies, steamship lines, travel agencies, etc.

Data beginning 1984 are based on expanded coverage and new methodology and are therefore not generally comparable with earlier data.

² Failure rate per 10,000 listed enterprises.

³ Series discontinued in 1995.

NOTE.—Revised and updated data for new business incorporations and business failures are not available.

Sources: Department of Commerce (Bureau of Economic Analysis) and The Dun & Bradstreet Corporation.

AGRICULTURE

TABLE B-97.—*Farm income, 1945-2000*
[Billions of dollars]

Year	Income of farm operators from farming						
	Gross farm income					Production expenses	Net farm income
	Total ¹	Cash marketing receipts			Value of inventory changes ²		
		Total	Livestock and products	Crops			
1945	25.4	21.7	12.0	9.7	-0.4	13.1	12.3
1946	29.6	24.8	13.8	11.0	.0	14.5	15.1
1947	32.4	29.6	16.5	13.1	-1.8	17.0	15.4
1948	36.5	30.2	17.1	13.1	1.7	18.8	17.7
1949	30.8	27.8	15.4	12.4	-.9	18.0	12.8
1950	33.1	28.5	16.1	12.4	.8	19.5	13.6
1951	38.3	32.9	19.6	13.2	1.2	22.3	15.9
1952	37.8	32.5	18.2	14.3	.9	22.8	15.0
1953	34.4	31.0	16.9	14.1	-.6	21.5	13.0
1954	34.2	29.8	16.3	13.6	.5	21.8	12.4
1955	33.5	29.5	16.0	13.5	.2	22.2	11.3
1956	34.0	30.4	16.4	14.0	-.5	22.7	11.3
1957	34.8	29.7	17.4	12.3	.6	23.7	11.1
1958	39.0	33.5	19.2	14.2	.8	25.8	13.2
1959	37.9	33.6	18.9	14.7	.0	27.2	10.7
1960	38.6	34.0	19.0	15.0	.4	27.4	11.2
1961	40.5	35.2	19.5	15.7	.3	28.6	12.0
1962	42.3	36.5	20.2	16.3	.6	30.3	12.1
1963	43.4	37.5	20.0	17.4	.6	31.6	11.8
1964	42.3	37.3	19.9	17.4	-.8	31.8	10.5
1965	46.5	39.4	21.9	17.5	1.0	33.6	12.9
1966	50.5	43.4	25.0	18.4	-.1	36.5	14.0
1967	50.5	42.8	24.4	18.4	.7	38.2	12.3
1968	51.8	44.2	25.5	18.7	.1	39.5	12.3
1969	56.4	48.2	28.6	19.6	.1	42.1	14.3
1970	58.8	50.5	29.5	21.0	.0	44.5	14.4
1971	62.1	52.7	30.5	22.3	1.4	47.1	15.0
1972	71.1	61.1	35.6	25.5	.9	51.7	19.5
1973	98.9	86.9	45.8	41.1	3.4	64.6	34.4
1974	98.2	92.4	41.3	51.1	-1.6	71.0	27.3
1975	100.6	88.9	43.1	45.8	3.4	75.0	25.5
1976	102.9	95.4	46.3	49.0	-1.5	82.7	20.2
1977	108.8	96.2	47.6	48.6	1.1	88.9	19.9
1978	128.4	112.4	59.2	53.2	1.9	103.2	25.2
1979	150.7	131.5	69.2	62.3	5.0	123.3	27.4
1980	149.3	139.7	68.0	71.7	-6.3	133.1	16.1
1981	166.3	141.6	69.2	72.5	6.5	139.4	26.9
1982	164.1	142.6	70.3	72.3	-1.4	140.3	23.8
1983	153.9	136.8	69.6	67.2	-10.9	139.6	14.2
1984	168.0	142.8	72.9	69.9	6.0	142.0	26.0
1985	161.2	144.1	69.8	74.3	-2.3	132.6	28.6
1986	156.1	135.4	71.6	63.8	-2.2	125.2	30.9
1987	168.4	141.8	76.0	65.8	-2.3	131.0	37.4
1988	177.9	151.2	79.6	71.6	-4.1	139.9	38.0
1989	191.9	160.8	83.9	76.9	3.8	146.7	45.3
1990	198.1	169.5	89.2	80.3	3.3	153.4	44.6
1991	191.9	167.9	85.8	82.1	-.2	153.4	38.5
1992	200.4	171.3	85.7	85.6	4.2	152.8	47.7
1993	204.7	177.9	90.4	87.5	-4.2	160.4	44.3
1994	215.9	181.1	88.2	92.9	8.3	167.1	48.8
1995	210.7	188.0	87.1	100.8	-5.0	173.8	36.9
1996	235.7	199.1	92.8	106.3	8.0	180.8	54.9
1997	238.4	207.6	96.5	111.1	.7	189.8	48.6
1998	233.2	196.6	94.1	102.5	-.7	188.6	44.6
1999	235.5	188.6	95.5	93.1	-.9	192.1	43.4
2000 ^p	245.5	194.5	100.3	94.1	.3	199.8	45.6

¹ Cash marketing receipts and inventory changes plus Government payments, other farm cash income, and nonmoney income produced by farms.

² Physical changes in end-of-period inventory of crop and livestock commodities valued at average prices during the period.

Note.—Data include net Commodity Credit Corporation loan transactions and operator residences.

Data for 2000 are forecasts.

Source: Department of Agriculture, Economic Research Service.

TABLE B-98.—*Farm business balance sheet, 1950-99*

[Billions of dollars]

End of year	Assets								Claims				
	Total assets	Physical assets						Financial assets		Total claims	Real estate debt ⁵	Non-real estate debt ⁶	Proprietors' equity
		Real estate	Nonreal estate				Investments in cooperatives	Other ⁴					
			Live-stock and poultry ¹	Machinery and motor vehicles	Crops ²	Pur-chased in-puts ³							
1950	121.6	75.4	17.1	12.3	7.1	.....	2.7	7.0	121.6	5.2	5.7	110.7
1951	136.1	83.8	19.5	14.3	8.2	.....	2.9	7.3	136.1	5.7	6.9	123.7
1952	133.0	85.1	14.8	15.0	7.9	.....	3.2	7.1	133.0	6.3	7.1	119.7
1953	128.7	84.3	11.7	15.6	6.8	.....	3.3	7.0	128.7	6.6	6.3	115.8
1954	132.6	87.8	11.2	15.7	7.5	.....	3.5	6.9	132.6	7.1	6.7	118.8
1955	137.0	93.0	10.6	16.3	6.5	.....	3.7	6.9	137.0	7.8	7.3	121.9
1956	145.7	100.3	11.0	16.9	6.8	.....	4.0	6.7	145.7	8.5	7.4	129.8
1957	154.5	106.4	13.9	17.0	6.4	.....	4.2	6.6	154.5	9.0	8.2	137.3
1958	168.7	114.6	17.7	18.1	6.9	.....	4.5	6.9	168.7	9.7	9.4	149.6
1959	173.0	121.2	15.2	19.3	6.2	.....	4.8	6.2	173.0	10.6	10.7	151.7
1960	174.3	123.3	15.6	19.1	6.4	.....	4.2	5.8	174.3	11.3	11.1	151.9
1961	181.6	129.1	16.4	19.3	6.5	.....	4.5	5.9	181.6	12.3	11.8	157.5
1962	188.9	134.6	17.3	19.9	6.5	.....	4.6	5.9	188.9	13.5	13.2	162.3
1963	196.7	142.4	15.9	20.4	7.4	.....	5.0	5.7	196.7	15.0	14.6	167.1
1964	204.2	150.5	14.5	21.2	7.0	.....	5.2	5.8	204.2	16.9	15.3	172.1
1965	220.8	161.5	17.6	22.4	7.9	.....	5.4	6.0	220.8	18.9	16.9	185.0
1966	234.0	171.2	19.0	24.1	8.1	.....	5.7	6.0	234.0	20.7	18.5	194.8
1967	246.0	180.9	18.8	26.3	8.0	.....	5.8	6.1	246.0	22.6	19.6	203.9
1968	257.2	189.4	20.2	27.7	7.4	.....	6.1	6.3	257.2	24.7	19.2	213.3
1969	267.8	195.3	22.8	28.6	8.3	.....	6.4	6.4	267.8	26.4	20.0	221.4
1970	278.9	202.4	23.7	30.4	8.7	.....	7.2	6.5	278.9	27.5	21.2	230.1
1971	301.7	217.6	27.3	32.4	10.0	.....	7.9	6.7	301.7	29.3	24.0	248.5
1972	339.9	243.0	33.7	34.6	12.9	.....	8.7	6.9	339.9	32.0	26.7	281.2
1973	418.5	298.3	42.4	39.7	21.4	.....	9.7	7.1	418.5	36.1	31.6	350.9
1974 ⁷	449.2	335.6	24.6	48.5	22.5	.....	11.2	6.9	449.2	40.8	35.1	373.3
1975	510.8	383.6	29.4	57.4	20.5	.....	13.0	6.9	510.8	45.3	39.7	425.8
1976	590.7	456.5	29.0	63.3	20.6	.....	14.3	6.9	590.7	50.5	45.6	494.7
1977	651.5	509.3	31.9	69.3	20.4	.....	13.5	7.0	651.5	58.4	52.4	540.7
1978	767.4	601.8	50.1	68.5	23.8	.....	16.1	7.1	767.4	66.7	60.7	640.0
1979	898.1	706.1	61.4	75.4	29.9	.....	18.1	7.3	898.1	79.7	71.8	746.6
1980	983.3	782.8	60.6	80.3	32.8	.....	19.3	7.4	983.3	89.7	77.1	816.5
1981	982.3	785.6	53.5	85.5	29.5	.....	20.6	7.6	982.3	98.8	83.6	800.0
1982	944.6	750.0	53.0	86.0	25.9	.....	21.9	7.8	944.6	101.8	87.0	755.8
1983	943.4	753.4	49.5	85.8	23.7	.....	22.8	8.1	943.4	103.2	87.9	752.3
1984	857.1	661.8	49.5	85.0	26.1	2.0	24.3	8.3	857.1	106.7	87.1	663.3	
1985	772.7	586.2	46.3	82.9	22.9	1.2	24.3	9.0	772.7	100.1	77.5	595.1	
1986	724.8	542.3	47.8	81.9	16.3	2.1	24.4	10.0	724.8	90.4	66.6	567.8	
1987	756.3	563.5	58.0	78.7	17.8	3.2	25.3	9.9	756.3	82.4	62.0	611.9	
1988	788.4	582.7	62.2	81.0	23.7	3.5	25.1	10.4	788.4	77.8	61.7	648.8	
1989	814.4	600.8	66.2	84.1	23.9	2.6	26.3	10.5	814.4	76.0	61.9	676.6	
1990	840.6	619.1	70.9	86.3	23.2	2.8	27.5	10.9	840.6	74.7	63.2	703.5	
1991	844.2	624.8	68.1	85.9	22.2	2.6	28.7	11.8	844.2	74.9	64.3	705.0	
1992	868.3	640.8	71.0	85.4	24.2	3.9	29.4	13.6	868.3	75.4	63.6	729.3	
1993	910.2	677.6	72.8	86.4	23.3	3.8	31.0	15.3	910.2	76.0	65.9	764.4	
1994	936.1	704.1	67.9	88.1	23.3	5.0	32.1	15.5	936.1	77.7	69.1	789.3	
1995	967.6	740.5	57.8	89.4	27.4	3.4	34.1	15.0	967.6	79.3	71.5	816.8	
1996	1,004.8	769.5	60.3	89.8	31.7	4.4	34.9	14.1	1,004.8	81.7	74.4	848.7	
1997	1,053.1	808.2	67.1	90.1	32.9	5.1	35.7	14.0	1,053.1	85.4	80.1	887.7	
1998	1,085.5	841.8	63.4	90.2	30.1	5.3	40.5	14.3	1,085.5	89.6	83.2	912.7	
1999	1,191.1	870.0	73.1	89.0	26.9	4.2	41.2	14.6	1,119.1	94.2	82.2	942.7	

¹ Excludes commercial broilers; excludes horses and mules beginning 1959; excludes turkeys beginning 1986.² Non-Commodity Credit Corporation (CCC) crops held on farms plus value above loan rate for crops held under CCC.³ Includes fertilizer, chemicals, fuels, parts, feed, seed, and other supplies.⁴ Currency and demand deposits.⁵ Includes CCC storage and drying facilities loans.⁶ Does not include CCC crop loans.⁷ Beginning 1974, data are for farms included in the new farm definition, that is, places with sales of \$1,000 or more annually.

Note.—Data exclude operator households.

Beginning 1959, data include Alaska and Hawaii.

Source: Department of Agriculture, Economic Research Service.

TABLE B-99.—*Farm output and productivity indexes, 1948–96*
[1992=100]

Year	Farm output						Productivity indicators ³	
	Total ¹	Livestock and products	Crops				Farm output per unit of total factor input	Farm output per unit of farm labor
			Total ²	Feed crops	Food grains	Oil crops		
1948	45	49	43	47	47	17	43	13
1949	45	52	40	43	41	15	40	14
1950	44	54	39	44	38	18	40	14
1951	46	57	40	43	37	16	41	15
1952	48	58	42	44	48	16	43	16
1953	48	59	42	43	44	16	43	17
1954	48	61	41	45	39	18	45	18
1955	50	62	42	47	37	20	44	18
1956	50	64	42	46	38	23	45	19
1957	50	63	42	51	36	23	45	20
1958	52	64	46	54	53	29	47	23
1959	54	67	46	54	43	25	47	23
1960	54	66	48	57	51	27	48	24
1961	56	69	48	53	47	31	50	26
1962	56	69	49	54	43	32	51	26
1963	58	72	51	56	45	33	52	28
1964	58	74	49	52	50	34	53	29
1965	59	71	52	59	52	40	55	31
1966	59	72	52	58	52	43	54	33
1967	62	75	54	64	59	45	56	36
1968	63	75	55	62	62	51	58	38
1969	63	75	57	64	57	52	59	39
1970	63	78	55	60	54	53	59	40
1971	67	79	61	72	63	59	63	43
1972	68	80	61	71	60	59	63	44
1973	71	81	65	73	66	71	64	45
1974	67	79	60	61	70	57	61	46
1975	71	75	68	72	84	71	66	49
1976	72	79	68	73	83	60	64	50
1977	76	80	74	78	78	82	69	55
1978	77	80	76	84	73	87	67	59
1979	82	82	83	89	85	105	70	64
1980	79	85	75	76	94	81	66	64
1981	87	87	87	91	111	93	74	70
1982	87	86	87	93	108	101	76	72
1983	76	88	68	61	92	76	69	64
1984	86	87	85	90	101	87	78	74
1985	89	89	89	100	95	96	84	82
1986	87	90	84	95	83	89	85	86
1987	88	92	86	84	84	88	87	87
1988	83	93	75	62	76	72	83	80
1989	89	94	86	85	83	88	90	86
1990	94	95	92	88	107	87	93	92
1991	94	98	92	86	82	94	92	89
1992	100	100	100	100	100	100	100	100
1993	94	100	90	76	96	85	94	98
1994	107	108	106	102	97	115	105	111
1995	101	110	96	83	90	99	100	110
1996	106	109	103	98	93	107	106	106

¹Gross production.

²Includes items not included in groups shown.

³See Table B-100 for farm inputs.

Source: Department of Agriculture, Economic Research Service.

TABLE B-100.—*Farm input use, selected inputs, 1948–2000*

Year	Farm population, April ¹		Farm employment (thousands) ³			Crops harvested (millions of acres) ⁵	Selected indexes of input use (1992=100)							
	Number (thousands)	As percent of total population ²	Total	Self-employed and unpaid workers ⁴	Hired workers		Total	Farm labor	Farm real estate	Durable equipment	Energy	Agricultural chemicals ⁶	Feed, seed, and purchased livestock ⁷	Other purchased inputs
1948	24,383	16.6	10,363	8,026	2,337	356	104	335	101	62	71	31	58	46
1949	24,194	16.2	9,964	7,712	2,252	360	111	328	102	74	78	33	60	78
1950	23,048	15.2	9,926	7,597	2,329	345	110	315	104	85	80	39	60	78
1951	21,890	14.2	9,546	7,310	2,236	344	112	302	106	95	83	38	62	83
1952	21,748	13.9	9,149	7,005	2,144	349	112	293	107	103	86	40	62	85
1953	19,874	12.5	8,864	6,775	2,089	348	110	277	108	107	89	39	63	81
1954	19,019	11.7	8,651	6,570	2,081	346	107	270	109	112	88	40	58	78
1955	19,078	11.5	8,381	6,345	2,036	340	112	274	110	114	91	42	66	80
1956	18,712	11.1	7,852	5,900	1,952	324	112	259	110	115	91	46	68	80
1957	17,656	10.3	7,600	5,660	1,940	324	111	242	110	113	89	45	71	83
1958	17,128	9.8	7,503	5,521	1,982	324	111	231	110	111	87	45	75	86
1959	16,592	9.3	7,342	5,390	1,952	324	114	230	110	111	88	52	76	100
1960	15,635	8.7	7,057	5,172	1,885	324	113	224	110	112	89	54	76	99
1961	14,803	8.1	6,919	5,029	1,890	302	111	218	107	110	91	59	72	97
1962	14,313	7.7	6,700	4,873	1,827	295	111	216	106	108	93	53	75	99
1963	13,367	7.1	6,518	4,738	1,780	298	111	210	107	108	94	57	77	98
1964	12,954	6.7	6,110	4,506	1,604	298	109	198	106	110	96	63	75	97
1965	12,363	6.4	5,610	4,128	1,482	298	108	193	106	112	97	66	74	97
1966	11,595	5.9	5,214	3,854	1,360	294	109	180	105	115	99	74	80	98
1967	10,875	5.5	4,903	3,650	1,253	306	109	171	107	119	98	79	80	99
1968	10,454	5.2	4,749	3,535	1,213	300	107	165	106	124	98	63	81	97
1969	10,307	5.1	4,596	3,419	1,176	290	108	162	105	126	100	68	86	93
1970	9,712	4.7	4,523	3,348	1,175	293	108	160	105	127	100	71	89	90
1971	9,425	4.5	4,436	3,275	1,161	305	107	157	107	129	98	73	86	89
1972	9,610	4.6	4,373	3,228	1,146	294	108	155	105	129	97	79	88	90
1973	9,472	4.5	4,337	3,169	1,168	321	110	156	108	131	99	85	88	95
1974	9,264	4.3	4,389	3,075	1,314	328	110	144	110	139	94	90	88	100
1975	8,864	4.1	4,331	3,021	1,310	336	108	145	109	144	110	81	83	99
1976	8,253	3.8	4,363	2,992	1,371	337	111	143	110	148	124	90	88	102
1977	*6,194	*2.8	4,143	2,852	1,291	345	109	138	110	152	130	88	83	103
1978	*6,501	*2.9	3,937	2,680	1,256	338	115	132	109	156	136	96	96	122
1979	*6,241	*2.8	3,765	2,495	1,270	348	118	128	110	161	124	105	103	129
1980	*6,051	*2.7	3,699	2,401	1,298	352	119	123	112	166	121	119	109	117
1981	*5,850	*2.5	*3,582	*2,324	*1,258	366	116	124	112	166	116	110	103	111
1982	*5,628	*2.4	*3,466	*2,248	*1,218	362	113	120	110	163	109	90	106	104
1983	*5,787	*2.5	*3,349	*2,171	*1,178	306	110	118	102	155	106	86	108	106
1984	5,754	2.4	*3,233	*2,095	*1,138	348	110	116	108	147	110	99	97	108
1985	5,355	2.2	3,116	2,018	1,098	342	106	108	107	139	98	97	99	99
1986	5,226	2.2	2,912	1,873	1,039	325	102	101	104	130	91	105	99	88
1987	4,986	2.1	2,897	1,846	1,051	302	101	101	100	120	102	100	97	95
1988	4,951	2.1	2,954	1,967	1,037	297	100	103	100	113	102	91	96	99
1989	4,801	2.0	2,863	1,935	928	318	100	104	102	108	101	95	91	103
1990	4,591	1.9	2,891	2,000	892	322	101	102	101	105	100	95	99	103
1991	4,632	1.9	2,877	1,968	910	318	102	106	100	103	101	100	99	104
1992 ....	.....	.....	2,810	1,944	866	319	100	100	100	100	100	100	100	100
1993 ....	.....	.....	2,800	1,942	857	308	101	96	98	97	100	105	101	110
1994 ....	.....	.....	2,767	1,925	842	321	102	96	99	94	103	106	102	117
1995 ....	.....	.....	2,836	1,967	869	314	101	92	98	92	109	90	109	121
1996 ....	.....	.....	2,842	2,010	832	326	100	100	99	89	104	97	95	117
1997 ....	.....	.....	2,867	1,990	877	333	.....	.....	.....	.....	.....	.....	.....	.....
1998 ....	.....	.....	2,827	1,947	880	327	.....	.....	.....	.....	.....	.....	.....	.....
1999 ....	.....	.....	2,977	2,048	929	327	.....	.....	.....	.....	.....	.....	.....	.....
2000 ^p	.....	.....	2,952	2,062	890	331	.....	.....	.....	.....	.....	.....	.....	.....

¹Farm population as defined by Department of Agriculture and Department of Commerce, i.e., civilian population living on farms in rural areas, regardless of occupation. See also footnote 8. Series discontinued in 1992.

²Total population of United States including Armed Forces overseas, as of July 1.

³Includes persons doing farmwork on all farms. These data, published by the Department of Agriculture, differ from those on agricultural employment by the Department of Labor (see Table B-35) because of differences in the method of approach, in concepts of employment, and in time of month for which the data are collected.

⁴Prior to 1982 this category was termed "family workers" and did not include nonfamily unpaid workers.

⁵Acreage harvested plus acreages in fruits, tree nuts, and vegetables and minor crops.

⁶Fertilizer, lime, and pesticides.

⁷Includes purchases of broiler- and egg-type chicks and turkey poults and livestock imports for purposes other than immediate slaughter.

⁸Based on new definition of a farm. Under old definition of a farm, farm population (in thousands and as percent of total population) for 1977, 1978, 1979, 1980, 1981, 1982, and 1983 is 7,806 and 3.6; 8,005 and 3.6; 7,553 and 3.4; 7,241 and 3.2; 7,014 and 3.1; 6,880 and 3.0; 7,029 and 3.0, respectively.

⁹Basis for farm employment series was discontinued for 1981 through 1984. Employment is estimated for these years.

Note.—Population includes Alaska and Hawaii beginning 1960.

Sources: Department of Agriculture (Economic Research Service) and Department of Commerce (Bureau of the Census).

TABLE B-101.—*Indexes of prices received and prices paid by farmers, 1975–2000*
[1990-92=100, except as noted]

Year or month	Prices received by farmers			Prices paid by farmers												Addendum: Average farm real estate value per acre (dollars)
	All farm products	Crops	Live-stock and products	All commodities, services, interest, taxes, and wage rates ¹	Production items								Wage rates			
					Total ²	Feed	Live-stock and poultry	Fertilizer	Agricultural chemicals	Fuels	Farm machinery	Farm services		Rent		
1975	73	88	62	47	55	83	39	87	72	40	38	48		44	340	
1976	75	87	64	50	59	83	47	74	78	43	43	52		48	397	
1977	73	83	64	53	61	82	48	72	71	46	47	57		51	474	
1978	83	89	78	58	67	80	65	72	66	48	51	60		55	531	
1979	94	98	90	66	76	89	88	77	67	61	56	66		60	628	
1980	98	107	89	75	85	98	85	96	71	86	63	81		65	737	
1981	100	111	89	82	92	110	80	104	77	98	70	89		70	819	
1982	94	98	90	86	94	99	78	105	83	97	76	96		74	823	
1983	98	108	88	86	92	107	76	100	87	94	81	82		76	788	
1984	101	111	91	89	94	112	73	103	90	93	85	86		77	801	
1985	91	98	86	86	91	95	74	98	90	93	85	85		78	713	
1986	87	87	88	85	86	88	73	90	89	76	83	83		81	640	
1987	89	86	91	87	87	83	85	86	87	76	85	84		85	599	
1988	99	104	93	91	90	104	91	94	89	77	89	85		87	632	
1989	104	109	100	96	95	110	93	99	93	83	94	91		95	668	
1990	104	103	105	99	99	103	102	97	95	100	96	96	96	96	683	
1991	100	101	99	100	100	98	102	103	101	104	100	98	100	100	703	
1992	98	101	97	101	101	99	96	100	103	96	104	103	104	105	713	
1993	101	102	100	104	104	102	104	96	109	93	107	110	100	108	736	
1994	100	105	95	106	106	106	94	105	112	89	113	110	108	111	798	
1995	102	112	92	109	108	103	82	121	116	89	120	115	117	114	844	
1996	112	127	99	115	115	129	75	125	119	102	125	116	128	117	887	
1997	107	115	98	118	119	125	94	121	121	106	128	116	136	123	926	
1998	101	106	97	115	113	110	88	112	122	84	132	115	120	129	974	
1999	95	96	95	115	111	100	95	105	121	93	135	116	113	135	1,020	
1999: Jan ...	97	97	96	114	110	104	90	107	122	68	134	115	113	137	1,020	
Feb ...	95	97	94	114	110	103	94	106	120	66	134	115	113	137	.....
Mar ...	97	99	95	114	110	101	92	107	121	72	134	115	113	137	.....
Apr ...	96	103	91	115	111	102	92	107	122	88	135	115	113	135	.....
May ...	98	102	93	115	110	101	89	106	120	90	135	115	113	135	.....
June ...	97	100	95	115	111	100	93	105	121	90	135	116	113	135	.....
July ...	95	96	95	114	111	97	92	103	120	97	135	116	113	131	.....
Aug ...	99	99	98	115	111	97	90	103	121	106	135	116	113	131	.....
Sept ...	96	95	98	115	111	98	94	103	121	112	136	116	113	131	.....
Oct ...	91	88	96	116	112	97	101	105	122	108	136	116	113	135	.....
Nov ...	93	89	98	116	112	97	105	103	119	112	137	115	113	135	.....
Dec ...	91	89	95	117	113	98	110	103	119	112	137	116	113	135	.....
2000: Jan ...	90	88	94	118	114	98	111	105	119	113	137	117	113	140	1,050	
Feb ...	92	91	94	119	115	101	109	106	120	125	138	117	113	140	.....
Mar ...	95	95	96	119	115	102	108	106	120	134	138	117	113	140	.....
Apr ...	101	102	100	119	116	102	112	106	119	125	138	117	113	140	.....
May ...	102	105	99	119	116	105	106	107	120	124	139	117	113	140	.....
June ...	100	99	100	120	116	103	108	108	120	134	136	119	113	140	.....
July ...	98	96	100	119	116	99	111	111	120	132	136	119	113	136	.....
Aug ...	98	99	97	119	115	95	107	112	120	134	136	119	113	136	.....
Sept ...	98	98	98	120	116	98	105	113	120	153	137	119	113	136	.....
Oct ...	93	91	96	121	117	100	111	115	120	152	137	119	113	143	.....
Nov ...	97	96	99	121	118	102	112	117	120	153	137	118	113	143	.....

¹ Includes items used for family living, not shown separately.

² Includes other production items not shown separately.

³ Average for 48 States. Annual data are: March 1 for 1975, February 1 for 1976-81, April 1 for 1982-85, February 1 for 1986-89, and January 1 for 1990-2000.

Note.—Data on a 1990-92 base prior to 1975 have not been calculated by Department of Agriculture.

Source: Department of Agriculture, National Agricultural Statistics Service.

TABLE B-102.—U.S. exports and imports of agricultural commodities, 1940–2000
[Billions of dollars]

Year	Exports							Imports					Agricultural trade balance
	Total ¹	Feed grains	Food grains ²	Oil-seeds and products	Cot-ton	To-bacco	Animals and products	Total ¹	Crops, fruits, and vegetables ³	Animals and products	Cof-fee	Cocoa beans and products	
1940	0.5	(4)	(4)	(4)	0.2	(4)	0.1	1.3	(4)	0.2	0.1	(4)	-0.8
1941 .....	.7	(4)	0.1	(4)	.1	0.1	.3	1.7	0.1	.3	.2	(4)	-1.0
1942	1.2	(4)	(4)	(4)	.1	.1	.8	1.3	(4)	.5	.2	(4)	-.1
1943	2.1	(4)	.1	0.1	.2	.2	1.2	1.5	.1	.4	.3	(4)	.6
1944	2.1	(4)	.1	.1	.1	.1	1.3	1.8	.1	.3	.3	(4)	.3
1945	2.3	(4)	.4	(4)	.3	.2	.9	1.7	.1	.4	.3	(4)	.5
1946	3.1	0.1	.7	(4)	.5	.4	.9	2.3	.2	.4	.5	0.1	.8
1947	4.0	.4	1.4	.1	.4	.3	.7	2.8	.1	.4	.6	.2	1.2
1948	3.5	.1	1.5	.2	.5	.2	.5	3.1	.2	.6	.7	.2	.3
1949	3.6	.3	1.1	.3	.9	.3	.4	2.9	.2	.4	.8	.1	.7
1950	2.9	.2	.6	.2	1.0	.3	.3	4.0	.2	.7	1.1	.2	-1.1
1951	4.0	.3	1.1	.3	1.1	.3	.5	5.2	.2	1.1	1.4	.2	-1.1
1952	3.4	.3	1.1	.2	.9	.2	.3	4.5	.2	.7	1.4	.2	-1.1
1953	2.8	.3	.7	.2	.5	.3	.4	4.2	.2	.6	1.5	.2	-1.3
1954	3.1	.2	.5	.3	.8	.3	.5	4.0	.2	.5	1.5	.3	-.9
1955	3.2	.3	.6	.4	.5	.4	.6	4.0	.2	.5	1.4	.2	-.8
1956	4.2	.4	1.0	.5	.7	.3	.7	4.0	.2	.4	1.4	.2	.2
1957	4.5	.3	1.0	.5	1.0	.4	.7	4.0	.2	.5	1.4	.2	.6
1958	3.9	.5	.8	.4	.7	.4	.5	3.9	.2	.7	1.2	.2	(4)
1959	4.0	.6	.9	.6	.4	.3	.6	4.1	.2	.8	1.1	.2	-.1
1960	4.8	.5	1.2	.6	1.0	.4	.6	3.8	.2	.6	1.0	.2	1.0
1961	5.0	.5	1.4	.6	.9	.4	.6	3.7	.2	.7	1.0	.2	1.3
1962	5.0	.8	1.3	.7	.5	.4	.6	3.9	.2	.9	1.0	.2	1.2
1963	5.6	.8	1.5	.8	.6	.4	.7	4.0	.3	.9	1.0	.2	1.6
1964	6.3	.9	1.7	1.0	.7	.4	.8	4.1	.3	.8	1.2	.2	2.3
1965	6.2	1.1	1.4	1.2	.5	.4	.8	4.1	.3	.9	1.1	.1	2.1
1966	6.9	1.3	1.8	1.2	.4	.5	.7	4.5	.4	1.2	1.1	.1	2.4
1967	6.4	1.1	1.5	1.3	.5	.5	.7	4.5	.4	1.1	1.0	.2	1.9
1968	6.3	.9	1.4	1.3	.5	.5	.7	5.0	.5	1.3	1.2	.2	1.3
1969	6.0	.9	1.2	1.3	.3	.6	.8	5.0	.5	1.4	.9	.2	1.1
1970	7.3	1.1	1.4	1.9	.4	.5	.9	5.8	.5	1.6	1.2	.3	1.5
1971	7.7	1.0	1.3	2.2	.6	.5	1.0	5.8	.6	1.5	1.2	.2	1.9
1972	9.4	1.5	1.8	2.4	.5	.7	1.1	6.5	.7	1.8	1.3	.2	2.9
1973	17.7	3.5	4.7	4.3	.9	.7	1.6	8.4	.8	2.6	1.7	.3	9.3
1974	21.9	4.6	5.4	5.7	1.3	.8	1.8	10.2	.8	2.2	1.6	.5	11.7
1975	21.9	5.2	6.2	4.5	1.0	.9	1.7	9.3	.8	1.8	1.7	.5	12.6
1976	23.0	6.0	4.7	5.1	1.0	.9	2.4	11.0	.9	2.3	2.9	.6	12.0
1977	23.6	4.9	3.6	6.6	1.5	1.1	2.7	13.4	1.2	2.3	4.2	1.0	10.2
1978	29.4	5.9	5.5	8.2	1.7	1.4	3.0	14.8	1.5	3.1	4.0	1.4	14.6
1979	34.7	7.7	6.3	8.9	2.2	1.2	3.8	16.7	1.7	3.9	4.2	1.2	18.0
1980	41.2	9.8	7.9	9.4	2.9	1.3	3.8	17.4	1.7	3.8	4.2	.9	23.8
1981	43.3	9.4	9.6	9.6	2.3	1.5	4.2	16.9	2.0	3.5	2.9	.9	26.4
1982	36.6	6.4	7.9	9.1	2.0	1.5	3.9	15.3	2.3	3.7	2.9	.7	21.3
1983	36.1	7.3	7.4	8.7	1.8	1.5	3.8	16.5	2.3	3.8	2.8	.8	19.6
1984	37.8	8.1	7.5	8.4	2.4	1.5	4.2	19.3	3.1	4.1	3.3	1.1	18.5
1985	29.0	6.0	4.5	5.8	1.6	1.5	4.1	20.0	3.5	4.2	3.3	1.4	9.1
1986	26.2	3.1	3.8	6.5	.8	1.2	4.5	21.5	3.6	4.5	4.6	1.1	4.7
1987	28.7	3.8	3.8	6.4	1.6	1.1	5.2	20.4	3.6	4.9	2.9	1.2	8.3
1988	37.1	5.9	5.9	7.7	2.0	1.3	6.4	21.0	3.8	5.2	2.5	1.0	16.1
1989	40.1	7.7	7.1	6.4	2.2	1.3	6.4	21.9	4.2	5.0	2.4	1.0	18.2
1990	39.5	7.0	4.8	5.7	2.8	1.4	6.7	22.9	4.9	5.6	1.9	1.1	16.6
1991	39.4	5.7	4.2	6.4	2.5	1.4	7.1	22.9	4.8	5.5	1.9	1.1	16.5
1992	43.2	5.7	5.4	7.2	2.0	1.7	8.0	24.8	4.9	5.7	1.7	1.1	18.4
1993	42.9	5.0	5.6	7.3	1.5	1.3	8.0	25.1	5.0	5.9	1.5	1.0	17.8
1994	46.3	4.7	5.3	7.2	2.7	1.3	9.2	27.0	5.4	5.8	2.5	1.0	19.3
1995	56.3	8.2	6.7	9.0	3.7	1.4	11.0	30.3	5.9	6.0	3.3	1.1	26.0
1996	60.4	9.4	7.4	10.8	2.7	1.4	11.2	33.5	6.9	6.1	2.8	1.4	26.9
1997	57.2	6.0	5.2	12.1	2.7	1.6	11.4	36.2	7.2	6.5	3.9	1.5	21.0
1998	51.8	5.0	5.0	9.5	2.5	1.5	10.6	36.9	7.9	6.9	3.4	1.7	14.9
1999	48.5	5.5	4.7	8.2	1.0	1.3	10.4	37.7	8.9	7.3	2.9	1.5	10.8
Jan-Oct: 1999	39.4	4.7	3.9	6.4	.7	1.1	8.4	31.2	7.4	5.9	2.4	1.3	8.2
2000	42.2	4.4	3.5	6.7	1.6	1.0	9.8	32.5	7.4	6.8	2.4	1.2	9.7

¹Total includes items not shown separately.

²Rice, wheat, and wheat flour.

³Includes nuts, fruits, and vegetable preparations.

⁴Less than \$50 million.

Note.—Data derived from official estimates released by the Bureau of the Census, Department of Commerce. Agricultural commodities are defined as (1) nonmarine food products and (2) other products of agriculture which have not passed through complex processes of manufacture. Export value, at U.S. port of exportation, is based on the selling price and includes inland freight, insurance, and other charges to the port. Import value, defined generally as the market value in the foreign country, excludes import duties, ocean freight, and marine insurance.

Source: Department of Agriculture, Economic Research Service.

INTERNATIONAL STATISTICS

TABLE B-103.—U.S. international transactions, 1946-2000

[Millions of dollars; quarterly data seasonally adjusted, except as noted. Credits (+), debits (-)]

Year or quarter	Goods ¹			Services			Balance on goods and services	Income receipts and payments			Unilateral current transfers, net ³	Balance on current account
	Exports	Imports	Balance on goods	Net military transactions ^{2,3}	Net travel and transportation	Other services, net		Receipts	Payments	Balance on income		
1946	11,764	-5,067	6,697	-424	733	310	7,316	772	-212	560	-2,991	4,885
1947	16,097	-5,973	10,124	-358	946	145	10,857	1,102	-245	857	-2,722	8,992
1948	13,265	-7,557	5,708	-351	374	175	5,906	1,921	-437	1,484	-4,973	2,417
1949	12,213	-6,874	5,339	-410	230	208	5,367	1,831	-476	1,355	-5,849	873
1950	10,203	-9,081	1,122	-56	-120	242	1,188	2,068	-559	1,509	-4,537	-1,840
1951	14,243	-11,176	3,067	169	298	254	2,633	3,788	-583	2,050	-4,954	884
1952	13,449	-10,838	2,611	528	83	309	3,531	2,751	-555	2,196	-5,113	614
1953	12,412	-10,975	1,437	1,753	-238	307	3,259	2,736	-624	2,112	-6,657	-1,286
1954	12,929	-10,353	2,576	902	-269	305	3,514	2,929	-582	2,347	-5,642	219
1955	14,424	-11,527	2,897	-113	-297	299	2,786	3,406	-676	2,730	-5,086	430
1956	17,556	-12,803	4,753	-221	-361	447	4,618	3,837	-735	3,102	-4,990	2,730
1957	19,562	-13,291	6,271	-423	-189	482	6,141	4,180	-796	3,384	-4,763	4,762
1958	16,414	-12,952	3,462	-849	-633	486	2,466	3,790	-825	2,965	-4,647	784
1959	16,458	-15,310	1,148	-831	-821	573	69	4,132	-1,061	3,071	-4,422	-1,282
1960	19,650	-14,758	4,892	-1,057	-964	639	3,508	4,616	-1,238	3,379	-4,062	2,824
1961	20,108	-14,537	5,571	-1,131	-978	732	4,195	4,999	-1,245	3,755	-4,127	3,822
1962	20,781	-16,260	4,521	-912	-1,152	912	3,370	5,618	-1,324	4,294	-4,277	3,387
1963	22,272	-17,048	5,224	-742	-1,309	1,036	4,210	6,157	-1,560	4,596	-4,392	4,414
1964	25,501	-18,700	6,801	-794	-1,146	1,161	6,022	6,824	-1,783	5,041	-4,240	6,823
1965	26,461	-21,510	4,951	-487	-1,280	1,480	4,664	7,437	-2,088	5,350	-4,583	5,431
1966	29,310	-25,493	3,817	-1,043	-1,331	1,497	2,940	7,528	-2,481	5,047	-4,955	3,031
1967	30,666	-26,866	3,800	-1,187	-1,750	1,742	2,604	8,021	-2,747	5,274	-5,294	2,583
1968	33,626	-32,991	635	-596	-1,548	1,759	250	9,367	-3,378	5,990	-5,629	611
1969	36,414	-35,807	607	-718	-1,763	1,964	91	10,913	-4,869	6,044	-5,735	399
1970	42,469	-39,866	2,603	-641	-2,038	2,330	2,254	11,748	-5,515	6,233	-6,156	2,331
1971	43,319	-45,579	-2,260	653	-2,345	2,649	-1,303	12,707	-5,435	7,272	-7,402	-1,433
1972	49,381	-55,797	-6,416	1,072	-3,063	2,965	-5,443	14,765	-6,572	8,192	-8,544	-5,795
1973	71,410	-70,499	911	740	-3,158	3,406	1,900	21,808	-9,655	12,153	-6,913	7,140
1974	98,306	-103,811	-5,505	165	-3,184	4,231	-4,292	27,587	-12,084	15,503	-9,249	1,962
1975	107,088	-98,185	8,903	1,461	-2,812	4,854	12,404	25,351	-12,564	12,787	-7,075	18,116
1976	114,745	-124,228	-9,483	931	-2,558	5,027	-6,082	29,375	-13,311	16,063	-5,686	4,295
1977	120,816	-151,907	-31,091	1,731	-3,565	5,680	-27,246	32,354	-14,217	18,137	-5,226	-14,335
1978	142,075	-176,002	-33,927	857	-3,573	6,879	-29,763	42,088	-21,680	20,408	-5,788	-15,143
1979	184,439	-212,007	-27,568	-1,313	-2,935	7,251	-24,565	63,834	-32,961	30,873	-6,593	-285
1980	224,250	-249,750	-25,500	-1,822	-997	8,912	-19,407	72,606	-42,532	30,073	-8,349	2,317
1981	237,044	-265,067	-28,023	-844	144	12,552	-16,172	86,529	-53,626	32,903	-11,702	5,030
1982	211,157	-247,642	-36,485	112	-992	13,209	-24,156	91,747	-56,583	35,164	-16,544	-5,536
1983	201,799	-268,901	-67,102	-563	-4,227	14,124	-57,767	90,000	-53,614	36,386	-17,310	-38,691
1984	219,924	-332,418	-112,492	-2,547	-8,438	14,404	-109,073	108,819	-73,756	35,063	-20,335	-94,344
1985	215,915	-338,088	-122,173	-4,390	-9,798	14,483	-121,880	98,542	-72,819	25,723	-21,998	-118,155
1986	223,344	-368,425	-145,081	-5,181	-8,779	20,502	-138,538	97,064	-81,571	15,494	-24,132	-147,177
1987	250,208	-409,765	-159,557	-3,844	-8,010	19,728	-151,684	108,184	-93,891	14,293	-23,265	-160,655
1988	320,230	-447,189	-126,959	-6,320	-3,013	21,725	-114,566	136,713	-118,026	18,687	-25,274	-121,153
1989	362,120	-477,365	-115,245	-6,749	3,551	27,805	-90,638	161,287	-141,463	19,824	-26,169	-96,982
1990	389,307	-498,337	-109,030	-7,599	7,501	30,270	-78,857	171,742	-143,192	28,550	-26,654	-76,961
1991	416,913	-490,981	-74,068	-5,274	16,561	34,516	-28,266	149,214	-125,084	24,130	10,752	6,616
1992	440,352	-536,458	-96,106	-1,448	19,969	41,918	-35,666	132,056	-109,101	22,954	-35,013	-47,724
1993	456,832	-589,441	-132,609	1,385	19,714	42,562	-68,949	134,159	-110,255	23,904	-37,637	-82,681
1994	502,398	-668,590	-166,192	2,570	16,305	50,278	-97,039	165,438	-148,744	16,694	-38,260	-118,605
1995	575,845	-749,574	-173,729	4,600	21,772	51,410	-95,947	211,502	-190,955	20,547	-34,057	-109,457
1996	612,057	-803,327	-191,270	5,385	25,015	58,757	-102,113	223,810	-204,934	18,876	-40,081	-123,318
1997	679,702	-876,367	-196,665	5,138	22,152	63,443	-105,932	257,346	-251,160	6,186	-40,794	-140,540
1998	760,324	-917,178	-156,854	5,387	10,145	64,424	-166,898	258,445	-264,656	-6,211	-44,029	-217,138
1999	684,358	-1,029,917	-345,559	2,684	6,797	71,107	-264,971	276,165	-294,648	-18,483	-48,025	-331,479
1998:												
I	170,609	-225,255	-54,646	1,728	3,419	15,886	-33,613	65,996	-64,979	1,017	-9,794	-42,390
II	166,054	-228,675	-62,621	1,564	3,118	16,331	-41,608	66,506	-66,274	232	-10,099	-51,475
III	164,378	-228,942	-64,564	827	1,820	15,583	-46,334	62,469	-66,786	-4,317	-10,658	-61,309
IV	169,283	-234,306	-65,023	1,268	1,788	16,619	-45,348	63,474	-66,617	-3,143	-13,474	-61,965
1999:												
I	163,949	-236,973	-73,024	947	1,910	17,491	-52,676	63,396	-66,516	-3,120	-10,831	-66,627
II	166,443	-250,427	-83,984	1,188	1,979	17,517	-63,300	66,697	-70,842	-4,145	-11,537	-78,982
III	173,881	-266,199	-92,318	318	1,428	17,854	-72,718	71,115	-76,650	-5,535	-11,396	-89,649
IV	180,085	-276,318	-96,233	231	1,478	18,244	-76,280	74,959	-80,642	-5,683	-14,260	-96,223
2000:												
I	183,728	-289,566	-105,838	252	1,549	18,920	-85,117	80,877	-85,241	-4,364	-12,024	-101,505
II	191,783	-302,014	-110,231	268	2,296	19,069	-88,598	87,653	-91,756	-4,103	-12,270	-104,971
III p	200,385	-315,801	-115,416	270	1,270	17,373	-96,503	86,810	-91,328	-4,518	-12,752	-113,773

¹Adjusted from Census data for differences in valuation, coverage, and timing; excludes military.

²Quarterly data are not seasonally adjusted.

³Includes transfers of goods and services under U.S. military grant programs.

See next page for continuation of table.

TABLE B-103.—U.S. international transactions, 1946–2000—Continued

[Millions of dollars; quarterly data seasonally adjusted, except as noted. Credits (+), debits (–)]

Year or quarter	Capital account transactions, net ²	Financial account						Statistical discrepancy	
		U.S.-owned assets abroad, net [increase/financial outflow (–)]				Foreign-owned assets in the U.S., net [increase/financial inflow (+)]			Of which: Seasonal adjustment discrepancy
		Total	U.S. official reserve assets ^{2,5}	Other U.S. Government assets ²	U.S. private assets	Total	Foreign official assets ²	Other foreign assets	
1946			–623						
1947			–3,315						
1948			–1,736						
1949			–266						
1950			1,758						
1951			–33						
1952			–415						
1953			1,256						
1954			480						
1955			182						
1956			–869						
1957			–1,165						
1958			2,292						
1959			1,035						
1960		–4,099	2,145	–1,100	–5,144	2,294	1,473	821	–1,019
1961		–5,538	607	–910	–5,235	2,705	765	1,939	–989
1962		–4,174	1,535	–1,085	–4,623	1,911	1,270	641	–1,124
1963		–7,270	378	–1,662	–5,986	3,217	1,986	1,231	–360
1964		–9,560	171	–1,680	–8,050	3,643	1,660	1,983	–907
1965		–5,716	1,225	–1,605	–5,336	742	134	607	–457
1966		–7,321	570	–1,543	–6,347	3,661	–672	4,333	629
1967		–9,757	53	–2,423	–7,386	7,379	3,451	3,928	–205
1968		–10,977	–870	–2,274	–7,833	9,928	–774	10,703	438
1969		–11,585	–1,179	–2,200	–8,206	12,702	–1,301	14,002	–1,516
1970		–8,470	3,348	–1,589	–10,229	6,359	6,908	–550	–219
1971		–11,758	3,066	–1,884	–12,940	22,970	26,879	–3,909	–9,779
1972		–13,787	706	–1,568	–12,925	21,461	10,475	10,986	–1,879
1973		–22,874	158	–2,644	–20,388	18,388	6,026	12,362	–2,654
1974		–34,745	–1,467	–3,366	–33,643	35,341	10,546	24,796	–2,558
1975		–39,703	–849	–3,474	–35,380	17,170	7,027	10,143	4,417
1976		–51,269	–2,558	–4,214	–44,498	38,018	17,693	20,326	8,955
1977		–34,785	–375	–3,693	–30,717	53,219	36,816	16,403	–4,099
1978		–61,130	732	–4,660	–57,202	67,036	33,678	33,358	9,236
1979		–64,915	6	–3,746	–61,176	40,852	–13,665	54,516	24,349
1980		–85,815	–7,003	–5,162	–73,651	62,612	15,497	47,115	20,886
1981		–113,054	–4,082	–5,097	–103,875	86,232	4,960	81,272	21,792
1982	199	–127,882	–4,965	–6,131	–116,786	96,589	3,593	92,997	36,630
1983	209	–66,373	–1,196	–5,006	–60,172	88,694	5,845	82,849	16,162
1984	235	–40,376	–3,131	–5,489	–31,757	117,752	3,140	114,612	16,733
1985	315	–44,752	–3,858	–2,821	–38,074	146,115	–1,119	147,233	16,478
1986	301	–111,723	312	–2,022	–110,014	230,009	35,648	194,360	28,590
1987	365	–79,296	9,149	1,006	–89,450	248,634	45,387	203,247	–9,048
1988	493	–106,573	–3,912	2,967	–105,628	246,522	39,758	206,764	–19,289
1989	336	–175,383	–25,293	1,233	–151,323	224,928	8,503	216,425	47,101
1990	–6,579	–81,234	–2,158	2,317	–81,393	141,571	33,910	107,661	23,204
1991	–4,479	–64,388	5,763	2,924	–73,075	110,808	17,389	93,420	–48,557
1992	612	–74,410	3,901	–1,667	–76,644	170,663	40,477	130,186	–49,141
1993	–88	–200,552	–1,379	–351	–198,822	282,040	71,753	210,287	1,281
1994	–469	–176,056	5,346	–390	–181,012	305,989	39,583	266,406	–10,859
1995	372	–352,376	–9,742	–984	–341,650	465,684	109,880	355,804	–4,223
1996	693	–413,923	6,668	–989	–419,602	571,706	126,724	444,982	–35,158
1997	350	–488,940	–1,010	68	–487,998	756,962	18,876	738,086	–127,832
1998	637	–335,436	–6,783	–422	–328,231	482,235	–20,127	502,362	69,702
1999	–3,500	–430,187	8,747	2,751	–441,685	753,564	42,864	710,700	11,602
1998:									
I	149	–68,887	–444	–80	–68,363	86,840	10,967	75,873	24,288
II	157	–141,617	–1,945	–483	–139,189	167,085	–10,235	177,320	25,850
III	155	–53,027	–2,025	188	–51,190	82,790	–46,651	129,441	31,391
IV	176	–71,904	–2,369	–47	–69,488	145,520	25,792	119,728	–11,827
1999:									
I	157	–21,555	4,068	118	–25,741	102,780	4,274	98,506	–14,755
II	165	–170,842	1,159	–392	–171,609	272,008	–1,096	273,104	–22,349
III	171	–122,909	1,951	–686	–124,174	194,210	12,191	182,019	18,177
IV	–3,993	–114,882	1,569	3,711	–120,162	184,567	27,495	157,072	30,531
2000:									
I	166	–178,958	–554	–131	–178,273	236,535	22,015	214,520	43,762
II	170	–92,424	2,020	–574	–93,870	245,149	6,346	238,803	–47,924
III P	165	–77,204	–346	110	–76,968	200,169	11,625	188,544	–9,357

⁴ Includes extraordinary U.S. Government transactions with India.⁵ Consists of gold, special drawing rights, foreign currencies, and the U.S. reserve position in the International Monetary Fund (IMF).

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-104.—U.S. international trade in goods by principal end-use category, 1965–2000
[Billions of dollars; quarterly data seasonally adjusted]

Year or quarter	Exports							Imports						
	Total	Agricultural products	Nonagricultural products					Total	Petroleum and products	Nonpetroleum products				
			Total	Industrial supplies and materials	Capital goods except automotive	Auto-motive	Other			Total	Industrial supplies and materials	Capital goods except automotive	Auto-motive	Other
1965	26.5	6.3	20.2	7.6	8.1	1.9	2.6	21.5	2.0	19.5	9.1	1.5	0.9	8.0
1966	29.3	6.9	22.4	8.2	8.9	2.4	2.9	25.5	2.1	23.4	10.2	2.2	1.8	9.2
1967	30.7	6.5	24.2	8.5	9.9	2.8	3.0	26.9	2.1	24.8	10.0	2.5	2.4	9.9
1968	33.6	6.3	27.3	9.6	11.1	3.5	3.2	33.0	2.4	30.6	12.0	2.8	4.0	11.8
1969	36.4	6.1	30.3	10.3	12.4	3.9	3.7	35.8	2.6	33.2	11.8	3.4	4.9	13.0
1970	42.5	7.4	35.1	12.3	14.7	3.9	4.3	39.9	2.9	36.9	12.4	4.0	5.5	15.0
1971	43.3	7.8	35.5	10.9	15.4	4.7	4.5	45.6	3.7	41.9	13.8	4.3	7.4	16.4
1972	49.4	9.5	39.9	11.9	16.9	5.5	5.6	55.8	4.7	51.1	16.3	5.9	8.7	20.2
1973	71.4	18.0	53.4	17.0	22.0	6.9	7.6	70.5	8.4	62.1	19.6	8.3	10.3	23.9
1974	98.3	22.4	75.9	26.3	30.9	8.6	10.0	103.8	26.6	77.2	27.8	9.8	12.0	27.5
1975	107.1	22.2	84.8	26.8	36.6	10.6	10.8	98.2	27.0	71.2	24.0	10.2	11.7	25.3
1976	114.7	23.4	91.4	28.4	39.1	12.1	11.7	124.2	34.6	89.7	29.8	12.3	16.2	31.4
1977	120.8	24.3	96.5	29.8	39.8	13.4	13.5	151.9	45.0	106.9	35.7	14.0	18.6	38.6
1978 ¹	142.1	29.9	112.2	34.2	47.5	15.2	15.3	176.0	42.6	133.4	40.7	19.3	25.0	48.4
1979	184.4	35.5	149.0	52.2	60.2	17.9	18.7	212.0	60.4	151.6	47.5	24.6	26.6	52.8
1980	224.3	42.0	182.2	65.1	76.3	17.4	23.4	249.8	79.5	170.2	53.0	31.6	28.3	57.4
1981	237.0	44.1	193.0	63.6	84.2	19.7	25.5	265.1	78.4	186.7	56.1	37.1	31.0	62.4
1982	211.2	37.3	173.9	57.7	76.5	17.2	22.4	247.6	62.0	185.7	48.6	38.4	34.3	64.3
1983	201.8	37.1	164.7	52.7	71.7	18.5	21.8	268.9	55.1	213.8	53.7	43.7	43.0	73.3
1984	219.9	38.4	181.5	56.8	77.0	22.4	25.3	332.4	58.1	274.4	66.1	60.4	56.5	91.4
1985	215.9	29.6	186.3	54.8	79.3	24.9	27.2	338.1	51.4	286.7	62.6	61.3	64.9	97.9
1986	223.3	27.2	196.2	59.4	82.8	25.1	28.9	368.4	34.3	334.1	69.9	72.0	78.1	114.2
1987	250.2	29.8	220.4	63.7	92.7	27.6	36.4	409.8	42.9	366.8	70.8	85.1	85.2	125.7
1988	320.2	38.8	281.4	82.6	119.1	33.4	46.3	447.2	39.6	407.6	83.1	102.2	87.9	134.4
1989	362.1	42.2	319.9	91.8	138.9	34.9	54.3	477.4	50.9	426.5	84.5	112.2	87.4	142.5
1990	389.3	40.2	349.1	96.9	152.5	36.5	63.2	498.3	62.3	436.1	82.9	116.1	88.5	148.6
1991	416.9	40.1	376.8	101.7	166.5	40.0	68.6	491.0	51.7	439.2	81.2	120.8	85.7	151.5
1992	440.4	44.0	396.3	101.7	176.1	47.0	71.5	536.5	51.6	484.9	89.0	134.3	91.8	169.8
1993	456.8	43.7	413.1	105.0	182.1	52.5	73.5	589.4	51.5	538.0	101.0	152.3	102.4	182.3
1994	502.4	47.1	455.3	112.6	205.2	57.8	79.8	668.6	51.3	617.3	113.7	184.4	118.3	201.0
1995	575.8	57.2	518.6	135.5	233.8	61.8	87.5	749.6	56.2	693.4	128.9	221.4	123.8	219.3
1996	612.1	61.5	550.6	138.0	253.3	65.0	94.3	803.3	72.7	730.6	136.7	228.1	128.9	236.8
1997	679.7	58.4	621.3	147.7	295.7	74.0	103.8	876.4	71.8	804.6	145.6	253.3	139.8	265.9
1998	670.3	53.1	617.2	138.5	300.1	73.2	105.4	917.2	50.9	866.3	152.2	269.6	149.1	295.5
1999	684.4	49.6	634.7	139.3	311.8	75.8	108.0	1,029.9	67.8	962.1	157.0	297.1	179.4	328.6
1998:I	170.6	14.0	156.6	36.2	75.1	19.3	26.0	225.3	13.6	211.7	37.8	66.7	36.0	71.2
1998:II	166.1	13.3	152.7	34.6	73.5	18.1	26.6	228.7	13.4	215.3	38.4	67.2	36.3	73.4
1998:III	164.4	12.6	151.8	33.7	74.5	17.0	26.5	228.9	12.4	216.5	38.4	67.0	36.1	75.0
1998:IV	169.3	13.2	156.1	34.0	77.1	18.7	26.3	234.3	11.5	222.8	37.6	68.6	40.7	75.9
1999:I	163.9	11.7	152.2	32.3	75.3	18.2	26.4	237.0	10.5	226.4	36.3	69.8	42.0	78.3
1999:II	166.4	12.2	154.2	33.3	75.7	18.8	26.4	250.4	15.9	234.5	37.4	73.0	43.7	80.4
1999:III	173.9	13.2	160.7	35.1	79.4	19.4	26.8	266.2	19.9	246.3	40.4	75.6	46.7	83.5
1999:IV	180.1	12.5	167.6	38.6	81.3	19.4	28.3	276.3	21.4	254.9	42.9	78.7	47.0	86.4
2000:I	183.7	13.1	170.6	39.6	81.6	20.1	29.3	289.6	27.0	262.6	44.5	81.1	48.3	88.7
2000:II	191.8	13.2	178.6	39.3	89.2	20.0	30.0	302.0	29.3	272.7	43.6	87.1	48.9	93.1
2000:III ²	200.4	14.0	186.4	41.6	94.0	20.2	30.6	315.8	31.7	284.1	46.2	91.9	50.9	95.2

¹ End-use categories beginning 1978 are not strictly comparable with data for earlier periods. See *Survey of Current Business*, June 1988.

Note.—Data are on an international transactions basis and exclude military.

In June 1990, end-use categories for goods exports were redefined to include reexports; beginning with data for 1978, reexports (exports of foreign goods) are assigned to detailed end-use categories in the same manner as exports of domestic goods.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-105.—U.S. international trade in goods by area, 1991–2000

(Billions of dollars)

Item	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 first 3 quarters at annual rate ¹
EXPORTS	416.9	440.4	456.8	502.4	575.8	612.1	679.7	670.3	684.4	767.9
Industrial countries	261.3	265.1	270.6	295.2	338.1	355.7	386.3	389.4	401.5	436.9
Canada	85.9	91.4	101.2	114.8	127.6	135.2	151.7	156.2	166.5	180.4
Japan	47.2	46.9	46.7	51.8	63.1	66.0	64.6	56.6	56.4	63.4
Western Europe ²	116.8	114.5	111.3	115.3	132.5	138.0	153.2	159.3	162.5	175.7
Australia, New Zealand, and South Africa	11.4	12.4	11.5	13.2	15.0	16.6	16.9	17.2	16.1	17.4
Australia	8.3	8.7	8.1	9.6	10.5	11.7	11.9	11.8	11.7	12.4
Other countries, except Eastern Europe	150.4	169.5	179.8	201.7	232.0	249.1	285.5	273.5	277.3	325.0
OPEC ³	18.4	19.7	18.7	17.1	18.3	20.2	24.2	23.4	18.6	17.2
Other ⁴	132.0	149.8	161.1	184.6	213.7	228.9	261.3	250.2	258.7	307.8
Eastern Europe ²	4.8	5.6	6.2	5.3	5.7	7.3	7.8	7.4	5.6	6.0
International organizations and unallocated .....	.4	.1	.2	.1	.....	.....	.....	.....	.....	.....
IMPORTS	491.0	536.5	589.4	668.6	749.6	803.3	876.4	917.2	1,029.9	1,209.8
Industrial countries	294.3	316.3	347.8	389.8	425.4	443.2	476.5	501.7	557.1	628.2
Canada	93.0	100.9	113.3	131.1	147.1	158.7	170.1	175.8	201.3	231.1
Japan	92.3	97.4	107.2	119.1	123.5	115.2	121.7	121.9	130.9	144.8
Western Europe ²	102.0	111.4	120.9	132.9	147.7	161.7	175.8	194.0	214.8	239.5
Australia, New Zealand, and South Africa	7.0	6.6	6.4	6.7	7.1	7.7	9.0	10.1	10.2	12.7
Australia	4.1	3.7	3.3	3.2	3.4	3.9	4.9	5.4	5.3	6.4
Other countries, except Eastern Europe	194.9	218.2	238.1	272.9	317.2	353.2	391.4	404.5	461.0	565.4
OPEC ³	33.4	32.4	32.6	31.7	34.3	42.7	44.0	33.9	42.0	65.7
Other ⁴	161.5	185.8	205.4	241.3	282.9	310.5	347.4	370.6	419.0	499.7
Eastern Europe ²	1.8	2.0	3.5	5.8	7.0	7.0	8.5	10.9	11.8	16.2
International organizations and unallocated .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
BALANCE (excess of exports +)	-74.1	-96.1	-132.6	-166.2	-173.7	-191.3	-196.7	-246.9	-345.6	-442.0
Industrial countries	-33.0	-51.2	-77.2	-94.6	-87.3	-87.5	-90.1	-112.3	-155.6	-191.3
Canada	-7.1	-9.5	-12.2	-16.3	-19.6	-23.5	-18.3	-19.6	-34.7	-50.7
Japan	-45.0	-50.5	-60.5	-67.3	-60.3	-49.2	-57.1	-65.2	-74.5	-81.4
Western Europe ²	14.8	3.1	-9.7	-17.6	-15.2	-23.6	-22.6	-34.7	-52.2	-63.9
Australia, New Zealand, and South Africa	4.4	5.8	5.2	6.6	7.9	8.9	7.9	7.2	5.9	4.7
Australia	4.2	5.0	4.8	6.4	7.1	7.8	7.0	6.4	6.4	6.0
Other countries, except Eastern Europe	-44.5	-48.7	-58.3	-71.2	-85.2	-104.1	-105.9	-131.0	-183.7	-240.4
OPEC ³	-15.0	-12.7	-14.0	-14.6	-15.9	-22.4	-19.8	-10.5	-23.4	-48.5
Other ⁴	-29.5	-36.0	-44.3	-56.6	-69.2	-81.6	-86.1	-120.5	-160.3	-191.9
Eastern Europe ²	3.0	3.7	2.7	-5	-1.3	.3	-.7	-3.5	-6.3	-10.3
International organizations and unallocated .....	.4	.1	.2	.1	.....	.....	.....	.....	.....	.....

¹ Preliminary; seasonally adjusted.² The former German Democratic Republic (East Germany) included in Western Europe beginning fourth quarter 1990 and in Eastern Europe prior to that time.³ Organization of Petroleum Exporting Countries, consisting of Algeria, Ecuador (through 1992), Gabon (through 1994), Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.⁴ Latin America, other Western Hemisphere, and other countries in Asia and Africa, less members of OPEC.

Note.—Data are on an international transactions basis and exclude military.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-107.—*International investment position of the United States at year-end, 1991-99*

[Billions of dollars]

Type of investment	1991	1992	1993	1994	1995	1996	1997	1998	1999
NET INTERNATIONAL INVESTMENT POSITION OF									
THE UNITED STATES:									
With direct investment positions at current cost	-309.3	-431.2	-307.0	-311.9	-514.6	-596.6	-970.5	-1,111.8	-1,082.5
With direct investment positions at market value	-260.8	-452.3	-178.0	-170.5	-418.6	-542.8	-1,065.5	-1,407.7	-1,473.7
U.S.-OWNED ASSETS ABROAD:									
With direct investment at current cost	2,286.5	2,331.7	2,753.6	2,998.6	3,452.0	4,008.9	4,557.9	5,079.1	5,889.0
With direct investment at market value	2,470.6	2,466.5	3,057.7	3,279.9	3,873.6	4,548.6	5,277.4	6,045.6	7,173.4
U.S. official reserve assets	159.2	147.4	164.9	163.4	176.1	160.7	134.8	146.0	136.4
Gold ¹	92.6	87.2	102.6	100.1	101.3	96.7	75.9	75.3	76.0
Special drawing rights	11.2	8.5	9.0	10.0	11.0	10.3	10.0	10.6	10.3
Reserve position in the International Monetary Fund	9.5	11.8	11.8	12.0	14.6	15.4	18.1	24.1	18.0
Foreign currencies	45.9	40.0	41.5	41.2	49.1	38.3	30.8	36.0	32.2
U.S. Government assets, other than official reserves	81.4	83.0	83.4	83.9	85.1	86.1	86.2	86.8	84.2
U.S. credits and other long-term assets	79.8	81.4	81.4	81.9	82.8	84.0	84.1	84.9	81.7
Repayable in dollars	78.8	80.5	80.7	81.4	82.4	83.6	83.8	84.5	81.4
Other	1.0	.9	.8	.5	.4	.4	.4	.3	.3
U.S. foreign currency holdings and U.S. short-term assets	1.6	1.7	1.9	2.0	2.3	2.1	2.1	1.9	2.6
U.S. private assets:									
With direct investment at current cost	2,045.8	2,101.2	2,505.3	2,751.3	3,190.9	3,762.0	4,336.9	4,846.3	5,668.4
With direct investment at market value	2,230.0	2,236.0	2,809.3	3,032.6	3,612.5	4,301.7	5,056.4	5,812.8	6,952.7
Direct investment abroad:									
At current cost	643.4	663.8	723.5	786.6	885.5	986.5	1,058.7	1,207.1	1,331.2
At market value	827.5	798.6	1,027.5	1,067.8	1,307.2	1,526.2	1,778.2	2,173.5	2,615.5
Foreign securities	455.8	515.1	553.5	948.7	1,169.6	1,468.0	1,751.2	2,052.9	2,583.4
Bonds	176.8	200.8	309.7	321.2	392.8	465.1	543.4	576.7	556.7
Corporate stocks	279.0	314.3	543.9	627.5	776.8	1,002.9	1,207.8	1,476.2	2,026.6
U.S. claims on unaffiliated foreigners reported by U.S. nonbanking concerns	256.3	254.3	242.0	323.0	367.6	450.0	544.9	565.5	643.7
U.S. claims reported by U.S. banks, not included elsewhere	690.4	668.0	686.2	693.1	768.1	857.5	982.1	1,020.8	1,110.1
FOREIGN-OWNED ASSETS IN THE UNITED STATES:									
With direct investment at current cost	2,595.7	2,762.9	3,060.6	3,310.5	3,966.6	4,605.4	5,528.4	6,190.9	6,971.5
With direct investment at market value	2,731.4	2,918.8	3,235.7	3,450.4	4,292.3	5,091.3	6,342.9	7,453.2	8,647.1
Foreign official assets in the United States	398.5	437.3	509.4	535.2	671.7	798.4	835.8	837.7	869.3
U.S. Government securities	311.2	329.3	381.7	407.2	497.8	610.5	614.5	620.3	628.9
U.S. Treasury securities	306.0	322.6	373.1	396.9	482.8	590.7	589.8	589.0	578.2
Other	5.2	6.7	8.6	10.3	15.0	19.8	24.7	31.3	50.7
Other U.S. Government liabilities	18.6	20.8	22.1	23.7	23.6	22.6	21.6	18.0	14.7
U.S. liabilities reported by U.S. banks, not included elsewhere	38.4	55.0	69.7	73.4	107.4	113.1	135.4	125.9	138.6
Other foreign official assets	30.3	32.2	35.9	31.0	43.0	52.2	64.3	73.5	87.1
Other foreign assets in the United States:									
With direct investment at current cost	2,197.2	2,325.6	2,551.2	2,775.3	3,294.9	3,807.1	4,692.6	5,353.2	6,102.2
With direct investment at market value	2,332.9	2,481.5	2,726.3	2,915.2	3,620.6	4,293.0	5,507.1	6,615.5	7,777.7
Direct investment in the United States:									
At current cost	533.4	540.3	593.3	618.0	680.1	743.2	825.3	928.6	1,125.2
At market value	669.1	696.2	768.4	757.9	1,005.7	1,229.1	1,639.8	2,191.0	2,800.7
U.S. Treasury securities	170.3	197.7	221.5	235.7	358.5	502.6	662.2	729.7	660.7
U.S. securities other than U.S. Treasury securities	546.0	599.4	696.4	739.7	971.4	1,199.5	1,578.7	2,012.4	2,509.3
Corporate and other bonds	274.1	299.3	355.8	368.1	481.2	588.0	715.2	902.2	1,063.7
Corporate stocks	271.9	300.2	340.6	371.6	490.1	611.4	863.5	1,110.3	1,445.6
U.S. currency	101.3	114.8	133.7	157.2	169.5	186.8	211.6	228.3	250.7
U.S. liabilities to unaffiliated foreigners reported by U.S. nonbanking concerns	208.9	220.7	229.0	239.8	300.4	346.7	443.8	438.0	473.8
U.S. liabilities reported by U.S. banks, not included elsewhere	637.2	652.7	677.1	784.9	815.0	828.2	971.0	1,016.1	1,082.5

¹ Valued at market price.Note.—For details regarding these data, see *Survey of Current Business*, July 2000.

Source: Department of Commerce, Bureau of Economic Analysis.

TABLE B-108.—*Industrial production and consumer prices, major industrial countries, 1975–2000*

Year or quarter	United States	Canada	Japan	European Union ¹	France	Germany ²	Italy	United Kingdom
Industrial production (Index, 1992=100) ³								
1975	63.4	71.6	51.1	72.6	74.6	73.4	64.6	77.4
1976	69.3	76.2	56.7	76.9	81.5	78.3	72.7	80.0
1977	74.9	78.9	59.0	79.0	83.1	80.3	73.5	84.1
1978	79.3	82.2	62.8	80.0	84.9	78.9	74.9	86.5
1979	82.0	86.2	67.4	83.7	88.5	82.9	79.9	89.8
1980	79.7	83.5	70.5	83.6	87.6	82.9	84.3	84.0
1981	81.0	84.0	71.2	82.3	86.8	81.3	82.4	81.3
1982	76.7	77.4	71.4	81.1	86.1	78.7	79.9	82.9
1983	79.5	81.4	73.8	81.8	86.1	79.2	78.1	85.9
1984	86.6	91.7	80.6	83.9	87.6	81.6	80.6	86.0
1985	88.0	96.6	83.6	86.6	88.8	85.5	80.7	90.7
1986	89.0	96.0	83.5	88.4	89.3	87.0	84.0	92.9
1987	93.2	100.2	86.4	90.1	90.5	87.4	86.2	96.6
1988	97.4	106.3	94.5	94.1	94.6	90.5	92.1	101.3
1989	99.1	105.8	99.9	98.0	98.1	95.1	95.7	103.4
1990	98.9	102.9	104.1	101.4	101.3	99.9	101.7	103.1
1991	97.0	98.9	106.1	101.3	101.1	102.3	101.3	99.7
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	103.5	104.5	96.5	96.5	96.3	92.4	97.9	102.2
1994	109.1	111.3	97.7	101.4	100.1	95.6	103.9	107.7
1995	114.3	116.3	100.9	104.9	102.6	96.8	109.2	109.5
1996	119.6	117.9	103.2	105.5	103.5	97.4	107.1	110.7
1997	127.7	123.1	107.0	109.5	107.4	100.8	111.1	111.8
1998	134.0	126.0	99.9	113.4	112.8	105.0	112.3	112.7
1999	139.6	131.6	100.7	115.3	115.1	106.7	112.3	113.3
1999:I	136.5	128.6	99.6	113.6	113.3	105.0	112.0	111.8
1999:II	138.1	129.9	99.3	114.3	113.9	105.9	111.1	112.6
1999:III	140.1	133.2	102.0	116.5	115.8	108.0	113.6	114.2
1999:IV	142.1	134.7	103.2	117.8	117.5	108.8	115.2	114.4
2000:I	144.4	137.0	103.9	118.4	118.4	110.1	115.8	113.5
2000:II	147.1	138.9	105.5	120.6	118.6	113.3	117.4	115.1
2000:III	148.5	140.1	107.4	121.7	120.1	115.7	117.5	115.8
Consumer prices (Index, 1982-84=100)								
1975	53.8	50.1	66.0	43.7	43.9	71.1	30.0	40.2
1976	56.9	53.8	72.1	48.8	48.1	74.2	35.0	46.8
1977	60.6	58.1	78.0	54.7	52.6	76.9	40.9	54.2
1978	65.2	63.4	81.3	59.5	57.5	79.0	46.1	58.7
1979	72.6	69.1	84.4	65.7	63.6	82.2	52.8	66.6
1980	82.4	76.1	90.9	74.5	72.2	86.7	63.9	78.5
1981	90.9	85.6	95.3	83.4	81.8	92.2	75.5	87.9
1982	96.5	94.9	97.9	92.4	91.7	97.1	87.8	95.4
1983	99.6	100.4	99.8	100.1	100.3	100.3	100.8	99.8
1984	103.9	104.7	102.1	107.4	108.0	102.7	111.4	104.8
1985	107.6	108.9	104.1	114.1	114.3	104.8	121.7	111.1
1986	109.6	113.5	104.8	118.2	117.2	104.7	128.9	114.9
1987	113.6	118.4	105.0	122.1	121.1	104.9	135.1	119.7
1988	118.3	123.2	105.7	126.7	124.3	106.3	141.9	125.6
1989	124.0	129.3	108.1	133.2	128.7	109.2	150.7	135.4
1990	130.7	135.5	111.4	140.9	132.9	112.2	160.4	148.2
1991	136.2	143.1	115.0	148.2	137.2	116.2	170.5	156.9
1992	140.3	145.3	117.0	154.9	140.4	122.1	179.5	162.7
1993	144.5	147.9	118.4	160.5	143.4	127.6	187.7	165.3
1994	148.2	148.2	119.3	165.4	145.8	131.1	195.3	169.3
1995	152.4	151.4	119.1	170.6	148.4	133.3	205.6	175.2
1996	156.9	153.8	119.3	174.8	151.4	135.2	213.8	179.4
1997	160.5	156.3	121.3	178.4	153.2	137.8	218.2	185.1
1998	163.0	157.8	122.1	181.5	154.2	139.1	222.5	191.4
1999	166.6	160.5	121.8	183.9	155.0	139.9	226.2	194.3
1999:I	164.6	158.6	121.6	182.3	154.2	139.0	224.3	192.4
1999:II	166.2	160.3	122.0	183.7	155.1	139.8	225.6	194.4
1999:III	167.2	161.4	121.6	184.2	155.0	140.4	226.7	194.6
1999:IV	168.3	161.9	121.6	185.0	155.7	140.3	228.2	196.0
2000:I	169.9	162.8	120.8	186.2	156.6	141.5	229.6	196.8
2000:II	171.7	164.2	121.1	187.9	157.4	142.0	231.3	200.5
2000:III	173.1	165.8	120.8	189.0	157.9	143.2	232.6	200.8

¹ Consists of Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, and United Kingdom.

² Prior to 1991 data are for West Germany only.

³ All data exclude construction. Quarterly data are seasonally adjusted.

Sources: National sources as reported by Department of Commerce (International Trade Administration, Office of Trade and Economic Analysis), Department of Labor (Bureau of Labor Statistics), and Board of Governors of the Federal Reserve System.

TABLE B-109.—*Civilian unemployment rate, and hourly compensation, major industrial countries, 1975–2000*

[Quarterly data seasonally adjusted]

Year or quarter	United States	Canada	Japan	France	Germany ¹	Italy	United Kingdom
Civilian unemployment rate (Percent) ²							
1975	8.5	6.9	1.9	4.2	3.4	3.4	4.6
1976	7.7	³ 6.8	2.0	4.6	3.4	3.9	5.9
1977	7.1	7.8	2.0	5.2	3.4	4.1	6.4
1978	6.1	8.1	2.3	5.4	3.3	4.1	6.3
1979	5.8	7.2	2.1	6.1	2.9	4.4	5.4
1980	7.1	7.2	2.0	6.5	2.8	4.4	7.0
1981	7.6	7.3	2.2	7.6	4.0	4.9	10.5
1982	9.7	10.6	2.4	8.3	5.6	5.4	11.3
1983	9.6	11.5	2.7	8.6	³ 6.9	5.9	11.8
1984	7.5	10.9	2.8	10.0	7.1	5.9	11.7
1985	7.2	10.2	2.6	10.5	7.2	6.0	11.2
1986	7.0	9.2	2.8	10.6	6.6	³ 7.5	11.2
1987	6.2	8.4	2.9	10.8	6.3	7.9	10.3
1988	5.5	7.3	2.5	10.3	6.3	7.9	8.6
1989	5.3	7.0	2.3	9.6	5.7	7.8	7.2
1990	³ 5.6	7.7	2.1	9.1	5.0	7.0	6.9
1991	6.8	9.8	2.1	9.6	³ 5.6	³ 6.9	8.8
1992	7.5	10.6	2.2	³ 10.4	6.7	7.3	10.1
1993	6.9	10.7	2.5	11.8	7.9	³ 10.2	10.5
1994	³ 6.1	9.4	2.9	12.3	8.5	11.2	9.7
1995	5.6	8.5	3.2	11.8	8.2	11.8	8.7
1996	5.4	8.7	3.4	12.5	8.9	11.7	8.2
1997	4.9	8.2	3.4	12.4	9.9	11.9	7.0
1998	4.5	7.5	4.1	11.8	9.3	12.0	6.3
1999	4.2	6.8	4.7	11.2	8.7	11.5	⁴ 6.1
1999: I	4.3	7.2	4.7	11.4	8.8	11.8	6.2
II	4.3	7.1	4.8	11.3	8.8	11.7	6.1
III	4.2	6.7	4.8	11.2	8.8	11.5	5.9
IV	4.1	6.2	4.7	10.8	8.7	11.2	5.9
2000: I	4.1	6.0	4.9	10.2	8.4	11.2	5.8
II	4.0	5.8	4.8	9.7	8.3	10.8	5.5
III	4.0	5.7	4.7	9.6	8.3	10.6	.....
Manufacturing hourly compensation in U.S. dollars (Index, 1992=100) ⁴							
1975	35.5	33.5	17.5	26.3	23.1	22.3	19.0
1976	38.4	39.8	18.8	27.0	24.3	21.7	17.9
1977	41.8	41.0	23.0	29.8	28.8	24.2	19.6
1978	45.2	41.0	31.5	36.7	35.8	29.0	25.1
1979	49.6	43.9	32.0	44.0	42.0	35.9	33.0
1980	55.6	49.0	32.8	51.1	46.1	40.8	43.7
1981	61.1	54.1	36.1	46.0	39.3	37.1	44.1
1982	67.0	59.6	33.5	45.1	38.8	36.8	42.0
1983	68.8	63.9	36.1	43.0	38.6	38.2	39.0
1984	71.2	64.3	37.2	40.7	36.3	37.9	37.2
1985	75.1	63.5	38.5	42.9	37.2	39.2	39.0
1986	78.5	63.3	57.3	57.9	52.4	52.3	47.8
1987	80.7	68.0	68.3	69.2	66.0	63.5	60.2
1988	84.0	76.0	78.4	72.5	70.4	65.5	68.3
1989	86.6	84.1	77.3	71.4	69.1	68.1	67.7
1990	90.8	91.5	79.3	88.0	86.4	86.8	81.7
1991	95.6	100.1	90.3	90.2	86.6	92.9	90.5
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	102.7	95.5	119.3	96.2	100.2	84.2	88.7
1994	105.6	91.7	132.4	100.8	108.1	82.4	92.3
1995	107.9	93.3	147.7	115.1	129.2	85.3	95.9
1996	109.3	93.1	129.3	114.1	129.9	96.1	95.6
1997	111.4	94.4	119.3	102.5	115.3	90.7	103.3
1998	117.3	90.6	112.1	103.1	114.4	87.3	109.8
1999	123.2	91.9	131.2	102.6	111.3	85.8	112.2

¹ Prior to 1991 data are for West Germany only.

² Civilian unemployment rates, approximating U.S. concepts. Quarterly data for France and Germany should be viewed as less precise indicators of unemployment under U.S. concepts than the annual data.

³ There are breaks in the series for Canada (1976), Germany (1983 and 1991), France (1992), Italy (1986, 1991, and 1993), and United States (1990 and 1994). Also, for Italy, data reflect new estimation procedures and updated population data introduced in July 1999. For details on break in series in 1990 and 1994 for United States, see footnote 5, Table B-35. For details on break in series for other countries, see *Comparative Civilian Labor Force Statistics, Ten Countries*, U.S. Department of Labor, Bureau of Labor Statistics, December 2000.

⁴ Hourly compensation in manufacturing, U.S. dollar basis. Data relate to all employed persons (wage and salary earners and the self-employed) in the United States, Canada, Japan, France, Germany, and United Kingdom, and to all employees (wage and salary earners) in Italy. For Canada, France and United Kingdom, compensation adjusted to include changes in employment taxes that are not compensation to employees, but are labor costs to employers.

Source: Department of Labor, Bureau of Labor Statistics.

TABLE B-110.—*Foreign exchange rates, 1979–2000*
[Foreign currency units per U.S. dollar, except as noted; certified noon buying rates in New York]

Period	Canada (dollar)	EMU Members (euro) ^{1,2}	Belgium (franc) ¹	France (franc) ¹	Germany (mark) ¹	Italy (lira) ¹	Nether- lands (guilder) ¹	Japan (yen)	Sweden (krona)	Switzer- land (franc)	United Kingdom (pound) ²
March 1973	0.9967	.....	39.408	4.5156	2.8132	568.17	2.8714	261.90	4.4294	3.2171	2.4724
1979	1.1713	.....	29.342	4.2567	1.8343	831.11	2.0073	219.02	4.2893	1.6644	2.1224
1980	1.1693	.....	29.238	4.2251	1.8175	856.21	1.9875	226.63	4.2310	1.6772	2.3246
1981	1.1990	.....	37.195	5.4397	2.2632	1138.58	2.4999	220.63	5.0660	1.9675	2.0243
1982	1.2344	.....	45.781	6.5794	2.4281	1354.00	2.6719	249.06	6.2839	2.0319	1.7480
1983	1.2325	.....	51.122	7.6204	2.5539	1519.32	2.8544	237.55	7.6718	2.1007	1.5159
1984	1.2952	.....	57.752	8.7356	2.8455	1756.11	3.2085	237.46	8.2708	2.3500	1.3368
1985	1.3659	.....	59.337	8.9800	2.9420	1908.88	3.3185	238.47	8.6032	2.4552	1.2974
1986	1.3896	.....	44.664	6.9257	2.1705	1491.16	2.4485	168.35	7.1273	1.7979	1.4677
1987	1.3259	.....	37.358	6.0122	1.7981	1297.03	2.0264	144.60	6.3469	1.4918	1.6398
1988	1.2306	.....	36.785	5.9595	1.7570	1302.39	1.9778	128.17	6.1370	1.4643	1.7813
1989	1.1842	.....	39.409	6.3802	1.8808	1372.28	2.1219	138.07	6.4559	1.6369	1.6382
1990	1.1668	.....	33.424	5.4467	1.6166	1198.27	1.8215	145.00	5.9231	1.3901	1.7841
1991	1.1460	.....	34.195	5.6468	1.6610	1241.28	1.8720	134.59	6.0521	1.4356	1.7674
1992	1.2085	.....	32.148	5.2935	1.5618	1232.17	1.7587	126.78	5.8258	1.4064	1.7663
1993	1.2902	.....	34.581	5.6669	1.6545	1573.41	1.8585	111.08	7.7956	1.4781	1.5016
1994	1.3664	.....	33.426	5.5459	1.6216	1611.49	1.8190	102.18	7.7161	1.3667	1.5319
1995	1.3725	.....	29.472	4.9864	1.4321	1629.45	1.6044	93.96	7.1406	1.1812	1.5785
1996	1.3638	.....	30.970	5.1158	1.5049	1542.76	1.6863	108.78	6.7082	1.2361	1.5607
1997	1.3849	.....	35.807	5.8393	1.7348	1703.81	1.9525	121.06	7.6446	1.4514	1.6376
1998	1.4836	.....	36.310	5.8995	1.7597	1736.85	1.9837	130.99	7.9522	1.4506	1.6573
1999	1.4858	1.0653	.....	.....	.....	.....	.....	113.73	8.2740	1.5045	1.6172
1999:I	1.5120	1.1204	.....	.....	.....	.....	.....	116.67	8.0098	1.4288	1.6321
II	1.4733	1.0567	.....	.....	.....	.....	.....	120.80	8.4258	1.5143	1.6061
III	1.4865	1.0493	.....	.....	.....	.....	.....	113.15	8.3087	1.5274	1.6019
IV	1.4724	1.0368	.....	.....	.....	.....	.....	104.31	8.3404	1.5447	1.6295
2000:I	1.4539	.9859	.....	.....	.....	.....	.....	106.96	8.6163	1.6312	1.6055
II	1.4809	.9334	.....	.....	.....	.....	.....	106.72	8.8663	1.6759	1.5320
III	1.4824	.9042	.....	.....	.....	.....	.....	107.73	9.3073	1.7088	1.4773
Trade-weighted value of the U.S. dollar											
Nominal						Real ⁷					
	G-10 index (March 1973=100) ³	Broad index (January 1997=100) ⁴	Major cur- rencies index (March 1973=100) ⁵	OITP index (January 1997=100) ⁶		Broad index (March 1973=100) ⁴	Major cur- rencies index (March 1973=100) ⁵		OITP index (March 1973=100) ⁶		
1979	88.1	33.5	94.9	3.7		87.0	88.0		84.5		
1980	87.4	34.6	94.8	4.0		89.1	90.9		85.1		
1981	103.4	38.2	103.6	4.6		95.5	100.0		87.1		
1982	116.6	44.3	114.2	5.8		104.8	108.4		97.4		
1983	125.3	49.8	118.1	7.7		108.7	109.9		105.7		
1984	138.2	56.7	125.8	10.0		115.5	117.2		111.8		
1985	143.0	63.8	130.5	13.4		120.7	121.1		119.5		
1986	112.2	59.7	107.2	16.6		105.9	98.8		123.3		
1987	96.9	58.1	94.8	19.9		97.6	88.4		120.6		
1988	92.7	58.8	88.2	23.9		91.0	83.3		110.7		
1989	98.6	64.8	91.9	29.4		92.5	87.4		105.7		
1990	89.1	70.0	87.9	40.0		90.0	84.3		104.8		
1991	89.8	73.2	86.4	46.7		88.6	82.6		103.9		
1992	86.6	76.0	84.9	53.1		86.7	81.5		100.7		
1993	93.2	82.9	87.1	63.6		87.6	84.2		98.1		
1994	91.3	90.5	85.6	81.0		87.3	83.8		97.8		
1995	84.2	92.5	80.8	92.6		84.7	79.9		97.1		
1996	87.3	97.4	84.6	98.3		86.6	85.0		94.4		
1997	96.4	104.4	91.2	104.7		91.2	92.3		95.6		
1998	98.8	116.5	95.8	126.0		99.3	97.3		108.2		
1999 .....	.....	116.9	94.1	129.9		98.7	96.7		107.4		
1999:I .....	.....	116.7	93.5	130.8		98.2	95.6		107.8		
II .....	.....	117.6	95.5	129.2		99.3	98.1		107.2		
III .....	.....	117.1	94.5	129.7		99.1	97.4		107.6		
IV .....	.....	116.0	92.7	130.1		98.0	95.9		107.1		
2000:I .....	.....	116.9	94.7	128.9		99.1	98.6		106.0		
II .....	.....	119.4	97.5	130.4		101.8	101.9		108.1		
III .....	.....	120.9	99.2	131.0		103.2	104.0		108.5		

¹ European Economic and Monetary Union members include Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain.

² U.S. dollars per foreign currency unit.

³ G-10 comprises the countries shown in this table. Discontinued after December 1998.

⁴ The broad index is a weighted average of the foreign exchange value of the dollar against the currencies of a broad group of U.S. trading partners.

⁵ Subset of the broad index. Includes currencies of the euro area (see footnote 1), Australia, Canada, Japan, Sweden, Switzerland, and the United Kingdom.

⁶ Subset of the broad index. Includes other important U.S. trading partners (OITP) whose currencies are not heavily traded outside their home markets.

⁷ Adjusted for changes in the consumer price index.

Source: Board of Governors of the Federal Reserve System.

TABLE B-111.—*International reserves, selected years, 1962–2000*

[Millions of SDRs; end of period]

Area and country	1962	1972	1982	1992	1998	1999	2000	
							Aug	Sept
All countries	62,851	146,658	361,239	752,566	1,276,632	1,399,168	1,517,250	1,535,758
Industrial countries ¹	53,502	113,362	214,025	424,229	573,895	614,649	656,063	665,277
United States	17,220	12,112	29,918	52,995	59,379	53,238	50,762	.....
Canada	2,561	5,572	3,439	8,662	16,640	20,556	23,226	23,425
Euro area ¹ .....	.....	.....	.....	.....	.....	201,431	204,288	205,337
Austria	1,081	2,505	5,544	9,703	22,661	11,475	11,611	11,481
Belgium	1,753	3,564	4,757	10,914	13,310	8,259	7,346	7,719
Finland	237	664	1,420	3,862	6,955	6,035	6,326	6,062
France	4,049	9,224	17,850	22,522	35,054	32,329	32,890	31,703
Germany	6,958	21,908	43,909	69,489	56,737	48,375	45,612	48,399
Ireland	359	1,038	2,390	2,514	6,690	3,855	3,856	4,019
Italy	4,068	5,605	15,108	22,438	24,144	19,095	22,137	22,913
Luxembourg .....	.....	.....	.....	.....	.....	59	61	61
Netherlands	1,943	4,407	10,723	17,492	16,395	8,462	8,407	8,675
Portugal	680	2,129	1,179	14,474	11,942	7,130	7,248	7,251
Spain	1,045	4,618	7,450	33,640	39,929	24,716	25,955	25,908
Australia	1,168	5,656	6,053	8,429	10,487	15,545	11,765	11,761
Japan	2,021	16,916	22,001	52,937	153,878	209,893	259,943	264,541
New Zealand	251	767	577	2,239	2,986	3,246	2,457	2,445
Denmark	256	787	2,111	8,090	10,916	16,313	.....	.....
Greece	287	950	916	3,606	12,526	13,352	.....	.....
Iceland	32	78	133	364	305	351	323	316
Norway	304	1,220	6,273	8,725	13,256	14,905	15,690	16,590
Sweden	802	1,453	3,397	16,667	10,178	11,151	10,815	11,019
Switzerland	2,919	6,961	16,930	27,100	32,169	29,378	25,962	26,039
United Kingdom	3,308	5,201	11,904	27,300	23,682	26,854	28,690	29,920
Developing countries: Total ²	9,349	33,295	147,213	328,337	702,737	784,519	861,187	870,481
By area:								
Africa	2,110	3,962	7,737	13,044	28,780	32,709	35,610	35,837
Asia ²	2,772	8,130	44,490	190,363	413,579	481,244	532,721	537,367
Europe	381	2,680	5,359	16,006	72,717	78,977	93,512	95,008
Middle East	1,805	9,436	64,039	44,149	72,827	79,080	83,697	84,250
Western Hemisphere	2,282	9,089	25,563	64,774	114,833	112,509	115,647	118,019
Memo:								
Oil-exporting countries	2,030	9,956	67,108	46,144	70,650	80,512	91,555	92,895
Non-oil developing countries ²	7,319	23,339	80,105	282,193	632,087	704,007	769,632	777,587

¹ Includes data for Luxembourg 1962–98. Includes data for European Central Bank (ECB) beginning 1999. Detail does not add to totals shown.

² Includes data for Taiwan Province of China.

Note.—International reserves is comprised of monetary authorities' holdings of gold (at SDR 35 per ounce), special drawing rights (SDRs), reserve positions in the International Monetary Fund, and foreign exchange.

U.S. dollars per SDR (end of period) are: 1962—1.00000; 1972—1.08571; 1982—1.10311; 1992—1.37500; 1998—1.4080; 1999—1.3725; August 2000—1.3048; and September 2000—1.2979.

Source: International Monetary Fund, *International Financial Statistics*.

TABLE B-112.—*Growth rates in real gross domestic product, 1982–2000*

[Percent change at annual rate]

Area and country	1982-91	1992	1993	1994	1995	1996	1997	1998	1999	2000 ¹
World	3.3	2.0	2.3	3.7	3.6	4.1	4.1	2.6	3.4	4.7
Advanced economies	3.1	2.1	1.4	3.3	2.7	3.2	3.4	2.4	3.2	4.2
Major industrial countries	3.0	2.0	1.3	3.0	2.3	3.0	3.2	2.5	2.9	3.9
United States	2.9	3.0	2.7	4.0	2.7	3.6	4.4	4.4	4.2	5.2
Japan	4.1	1.0	.3	.6	1.5	5.0	1.6	-2.5	.2	1.4
Germany	2.7	2.2	-1.1	2.3	1.7	.8	1.4	2.1	1.6	2.9
France	2.4	1.5	-.9	2.1	1.8	1.1	2.0	3.2	2.9	3.5
Italy	2.3	.8	-.9	2.2	2.9	1.1	1.8	1.5	1.4	3.1
United Kingdom ²	2.7	.1	2.3	4.4	2.8	2.6	3.5	2.6	2.1	3.1
Canada	2.3	.9	2.3	4.7	2.8	1.5	4.4	3.3	4.5	4.7
Other advanced economies	3.7	2.4	1.9	4.6	4.3	3.7	4.2	2.0	4.7	5.1
Developing countries	4.3	6.3	6.4	6.7	6.1	6.5	5.7	3.5	3.8	5.6
Africa	2.3	-.7	.2	2.3	3.1	5.7	2.8	3.1	2.2	3.4
Asia	6.9	9.4	9.3	9.6	9.0	8.3	6.5	4.1	5.9	6.7
Middle East and Europe	3.3	5.7	3.8	.6	4.3	4.5	5.1	3.1	.8	4.7
Western Hemisphere	1.8	3.6	4.1	5.0	1.7	3.6	5.4	2.2	.3	4.3
Countries in transition	1.4	-14.4	-7.6	-7.6	-1.5	-.5	1.6	-.8	2.4	4.9
Central and eastern Europe		-8.8	-3.9	-3.0	1.6	1.7	2.1	2.0	1.3	3.1
Russia		-19.4	-10.4	-11.6	-4.2	-3.4	.9	-4.9	3.2	7.0
Transcaucasus and central Asia ..		-14.1	-11.0	-11.5	-5.0	1.3	2.6	2.5	4.6	5.3

¹ All figures are forecasts as published by the International Monetary Fund.² Average of expenditure, income, and output estimates of GDP at market prices.

Sources: Department of Commerce (Bureau of Economic Analysis) and International Monetary Fund.

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